

Agenda item: 

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**Decision maker:** Employment Committee 2 December 2010

**Subject:** Future Jobs Fund

**Report by:** Head of Community Housing and Regeneration

**Wards affected:** All

**Key decision (over £250k):** N/A

### 1. Purpose of report

To update members on the progress of the Future Jobs Fund programme being delivered by Portsmouth City Council.

### 2. Recommendations

It is recommended that:

- It is noted the FJF has given Portsmouth City Council the opportunity to provide real jobs to 148 unemployed young people.
- It is noted that the programme has highlighted the great wealth of talent and ability available from our young people and how, when given the opportunity, they make a positive and productive contribution to society.
- It is noted that without this opportunity it is likely that many young people would have remained unemployed, trapped in the endless cycle of 'no job no experience – no experience no job'.
- It is noted that FJF has been a successful intervention model and although perceived by the Government as expensive to deliver we are confident that a full evaluation will demonstrate the initial investment will produce long-term savings to the public purse.
- A further report is presented to members once the full evaluation is completed.

### 3. Background

Portsmouth City Council has been part of the Hampshire, PUSH and Isle of Wight (IOW) consortium Future Jobs Fund (FJF) bid to create 900 jobs to young, long term unemployed people aged between 18 and 24 in Hampshire,

Southampton, Portsmouth and the Isle of Wight. 700 of these jobs were based in the 'PUSH' sub regional area.

The programme is sponsored by the Department of Work and Pensions and their funding supports the employment and support costs of the jobs created which must be new and for 'community benefit'. Each job must last for a minimum of 6 months, be for a minimum of 25 hours per week and pay at least the minimum wage.

The accountable body for this bid is Hampshire County Council and Portsmouth City Council is a lead partner and also responsible for overseeing delivery partners in the PUSH area who include VT Enterprises, Groundwork, Wheatsheaf Trust and Southampton City Council (SCC). The programme is managed within PCC by the Community Housing & Regeneration (CH & R) service.

#### **4. Number of jobs started and other outcomes**

The first jobs started in November 2009 and to date over 850 young people have found work via the consortium bid partners.

A wide range of jobs, that have brought benefit to the local community, have been created and young people have taken full advantage of the experience the jobs have given them.

Portsmouth City Council has now directly employed 148 previously unemployed young people via the programme. These jobs have been either with Portsmouth City Council or with neighbouring local authorities in Eastleigh and the Isle of Wight and cover a range of jobs within the public sector such as Homecheck Assistants, Heritage Assistants, Horticultural Trainees, Assistant Youth Advisors, Road Safety Co-ordinators, Marketing, ICT and Festival Assistant.

The Council is also working with the YMCA, who have a national contract to deliver FJF jobs, and this will enable us to create a further 50 jobs in the council before March 2011.

The CH & R service is in the process of conducting a full evaluation of the programme and whilst it is too early in the programme to have complete figures in terms of outcomes and destinations we have been able to gather a sample of some top line results that give an indication of the impact of the programme to date.

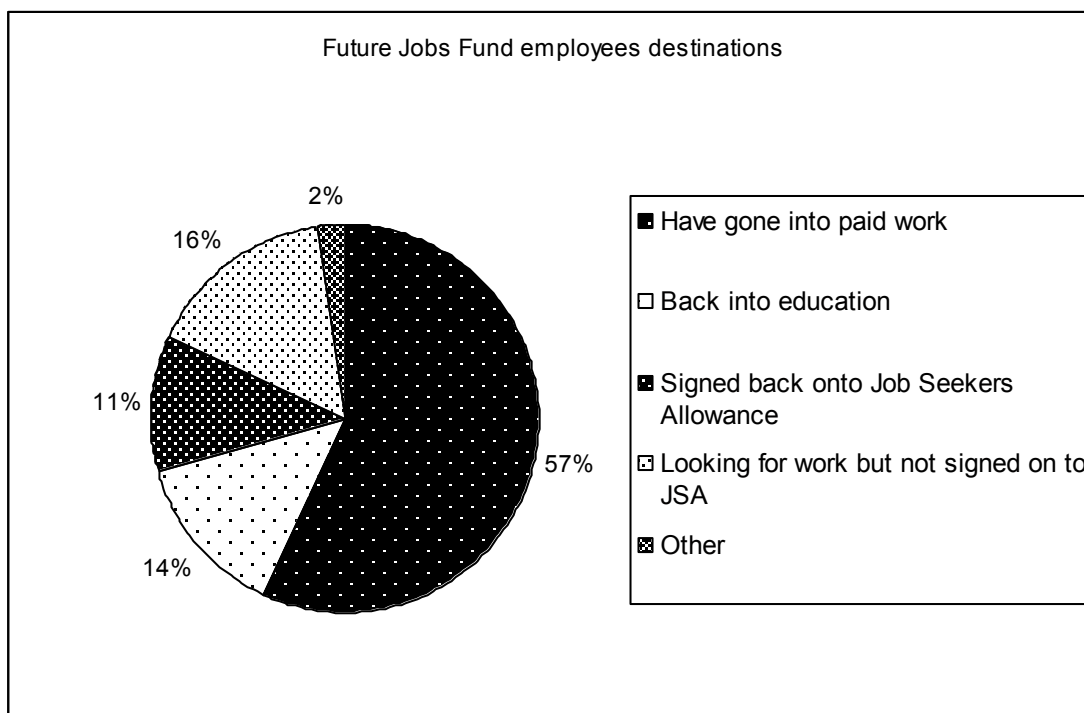
Of the 148 people that have now started jobs on the Council programme,

- 81 have so far completed the full 6 months
- 6 left early for other work

- 11 were dismissed

#### Exit interviews

- 44 exit interviews have been obtained
- Out of those 44; **25 (57%) have gone into paid work**, 6 (14%) back into education and 12 have are not working. One person has gone travelling.
- Of the 12 that are not working at the moment, only 5 (11%) have signed back onto Job Seekers Allowance.
- 41 of 44 either enjoyed or really enjoyed the programme.
- 39 completed the FJF programme. 4 of the participants who did not complete the programme went straight into work or education. One was dismissed.
- 80% of people had no problems whilst on the programme.
- 60% of people attended more than 2 training courses during their 6 months.
- Over 70% felt that they did not require any more support after the programme



### 5. What has the Future Jobs Fund achieved

*'No job, no experience – no experience, no job'* - Real and worthwhile work experience is essential for any young person looking for work. Without experience few employers will consider even offering an interview. The FJF enabled the council's recruiting teams to take a chance on who they were

employing and allowed the individual to demonstrate their capabilities on the job. We have been constantly impressed with the abilities and positive attitudes of the young people we have employed. On paper, they may not have been considered for any jobs but once in the role they flourish and show their potential.

With 6 months continuous work experience, with a recognised employer that has provided training and support, they are well placed to secure further employment. The experience they have gained with the council has and will continue to open doors to other work opportunities. If lack of experience was previously a barrier to employment this has now been removed and an employer can be sure that they are '*work ready*'.

Being '*work ready*' is essential in the current job market. Employers often do not have the time or resources to nurture new employees through those first few months of work and most new recruits are expected to 'hit the ground running' and be able to quickly fit in to the work patterns and expectations of the organisation. FJF is enabling young people to have a more accommodating start into working life. They usually worked only 25 hours a week and the jobs identified were all considered to be assistant or entry level roles. However, they were given as much support as needed from their managers and also additional 'coaching support' if required and this ensured their confidence grew. Employment processes such as having a current bank account and a reference from a previous employer also mean that moving into other work is made all that more easy.

The young people that took up the jobs gained a greater awareness of the range of employment opportunities available to them. The public sector, in particular, offers a huge range of different jobs and many young people were simply unaware of the type of work that might be available. All of the skills acquired can be transferred to other employment opportunities in the private and public sectors.

It has given the young people an insight into the work of the public sector and the individuals the confidence that they are capable of applying for positions that become available. There was often a perception, particularly if they had few or no qualifications that they would not be considered for a job in local government – to quote an FJF recruit '*I didn't think someone like me could get a job here*'.

Local Authorities tend not to create entry-level jobs at the scale they once did. Technological advances have meant more mundane and repetitive tasks are done in other ways. This has meant the pool of jobs that may give a young person a start on the employment ladder and the experience they need to progress are less available. FJF enable us to create these new jobs and therefore give a new generation the chance to work.

FJF also helped breakdown some of the misconceptions some people had about unemployed young people. It was sometimes suggested by managers, prior to the programme being started, that 'there must be a reason why they haven't got a job'. There were many preconceived ideas and attitudes towards unemployed young people that they must be unable to get work because of some fault of their own. However, time and time again feedback from managers has shown how impressed they have been with the calibre of young person coming for the jobs, how well they have progressed in the job and how lack of prior work experience was the only barrier stopping them getting employment.

## **6. What are the strengths and weaknesses of the FJF programme?**

### **Strengths**

- The programme offered flexibility compared to some other interventions i.e. eligibility was not restricted to certain postcode areas or target groups within target groups.
- As long as we could demonstrate community benefit we could offer a wide range of jobs. This gave us the scope to find the lots of different jobs that would meet the skills and needs of many applicants
- Un-bureaucratic process – light touch approach to monitoring
- The jobs were fully funded and employers did not have to make any contributions unless they wanted to e.g. extend the hours worked or create apprenticeships (SCC). No match funding needed.
- Quality of candidates coming forward exceeded expectations and most recruits made a very positive and productive contribution to the service.
- Community projects were developed that may not have happened without the resources provided by the FJF recruits.
- Offering to young people of a real job for 6 continuous months in a supportive and encouraging environment.
- Being part of a large organisation and learning how they work and what the opportunities are.
- Networking with other parts of the organisation and business contacts that can help with identifying future employment opportunities.
- On the job training e.g. Health and Safety and Equalities that are valued and recognised by other employers, attendance at courses and events that broaden their knowledge of the working environment.
- Being paid a fair wage.
- A supportive way of approaching their first job.
- 6 months continuous work with an employer is sustained employment and is often all that is needed to ensure that other employers will consider them for future work.
- They now have evidence of work experience and this cannot be lost or taken away. Their CV's will record this experience and employers recognise what has been achieved. A reference from the employer will also help them find other employment

- The experience of 6 months work has raised the confidence levels and aspirations of the young people. They now have a better understanding of their own potential and what they can do in the future.
- Their expectations have been raised. Jobs they may not have considered they could do, or get, are now well within reach.
- Managers attitudes towards young people have changed and are more positive. They are more likely to employ a young person with less experience in the future

### **Weaknesses**

- Speed with which the programme was implemented. Very difficult to keep to profile
- Transition of employees from fortnightly JSA payments to monthly salary. JCP not consistent in the advice and support they gave new starters.
- Lack of clarity in the beginning on how referrals should be made from JCP and how informed candidates were about the jobs.
- Some mismatch of employees to employers. However the flexibility of the programme allowed people to be moved to other jobs if this was identified.
- Candidates were not always as well prepared for the interviews as would have been expected. Little pre-employment training apparently provided and basic things such as bank accounts were not always in place even though they had been claiming JSA.
- Some (a very small number) candidates had too many barriers to be able to work at this time and should have been referred to a programme that provided different support.
- Not long enough – would like to stay in the jobs longer.
- Although 'better off calculations' are done before taking the job, some young people found it hard to manage on the salary if they had to cope with living / accommodation and travel costs. The financial benefit of working was sometimes minimal if at all.
- In terms of financial / income arrangements, transition from JSA to FJF was sometimes difficult because of inconsistencies with how JCP dealt with the change. Some young people faced real financial hardship because they were not advised correctly of their entitlement. This could have stopped a young person from taking the job.
- Raised expectations in the young people that the 6 months jobs may automatically convert to a longer contract.
- Not matching the young person to the right job you may reinforce some negative views they have of work.

### **7. What is the impact of the decision to end the FJF programme 12 months early?**

The most obvious impact of this decision is that less unemployed young people will have the opportunity to access the programme and therefore will

not have the benefit of the work experience FJF offers. If the economy remains in recession and unemployment rises the job market is going to become all the more competitive. It is those workers that already have skills and experience that employers are most likely to employ. Young people with little or no previous employment experience will be amongst the last to be considered by employers regardless of their qualifications. As they become longer term unemployed the prejudicial attitudes that exist towards the workless will also impact on their chances of finding work.

The emphasis for employers will be on productivity and ensuring that everyone in their organisation will be working to their most productive and efficient. They will not have the capacity to either support new staff that need higher levels of training and induction or accommodate novice employees that do not work as productively initially as someone with previous experience. Therefore opportunities to young people will be further reduced.

## **8. Reasons for recommendations**

FJF was always intended to be a cyclical intervention responding to a particular need whilst the economy was in crisis. There are substantial amounts of research and evidence from previous recessions that clearly show the long-term impact that economic recessions have on young people and the long term unemployed and how important it is to provide support to those most in need. The recommendations recognise the positive impact of this programme and the effectiveness of this type of intervention and in doing so would want to support any future similar intermediate labour market employment programmes.

## **9. Equality impact assessment**

No impact assessment required for information only.

## **10. Head of legal services' comments**

The national minimum wage for workers above 18 years of age must be paid according to Regulations 11 and 13 (1) of the National Minimum Wage Regulations 1999. The Council's duties towards equality and prohibiting discrimination in terms of recruitment and during employment should be followed in line with the Equality Act 2010.

## **11. Head of finance's comments**

Portsmouth City Council received grant funding to cover the set up fees of the scheme and the ongoing additional project costs were similarly grant funded

so there has been no financial risks or costs to PCC over the life of the scheme. Unfortunately, the funding of the scheme ends in 2010/11 and as such the provision of this service will cease in 2011/12. This report does not contain any recommendations which carry financial implications for the future budget position of Portsmouth City Council.

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Signed by:  
Alan Cufley, Head of Community Housing and Regeneration

**Appendices:**

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by ..... on  
.....

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Signed by: