



Report to the Partnership for Urban South Hampshire Joint Committee

Date: **26 June 2009**

Report of: **Bernie Topham, Theme Lead Chief Executive for Economic Development**

Subject: **Future Jobs Fund Bid**

SUMMARY

The purpose of this report is to propose submission by Portsmouth City Council, on behalf of PUSH, of a "consortium bid" with Hampshire County Council and the Isle of Wight, for the DWP Future Jobs Fund (FJF).

RECOMMENDATIONS

It is recommended that the Joint Committee:-

1. APPROVES the submission of a bid for the Future Jobs Fund in a consortia arrangement with the Isle of Wight and Hampshire County Councils for the 30 June deadline, as outlined in this report, subject to mutually satisfactory resolution of the contractual arrangements between the parties;
2. AUTHORISES, subject to contract, the County Council and/or Portsmouth City Council to enter into contracts on behalf of PUSH, in respect of the project, on the basis that any liabilities incurred under the terms of these agreements, will be borne by the PUSH Partner Authorities, as appropriate, and the County and/or Portsmouth City Council indemnified accordingly and sufficiently;
3. DELEGATES authorisation to finalise the bid proposals and complete the necessary bid paperwork to the Theme Lead Chief Executive for Economic Development, in consultation with the Theme Lead Chief Executive for External Funding; and
4. DELEGATES authority to the Theme Lead Chief Executive for Economic Development, to finalise the contractual arrangements for the bid with the DWP and between partners, subject to the agreement of all parties.

INTRODUCTION

1. The Future Jobs Fund is a national fund of around £1 billion to support the creation of jobs for long term unemployed people, and others, who face significant disadvantage in the labour market. It is a challenge fund with competitive bidding, run by the Department of Work and Pensions, (DWP) and the Department for Communities and Local Government, (CLG). The stated preference is for “innovative” bids to be led by Local Authorities, (among others) reflecting a partnership approach, which should create at least 30 jobs over a 6 month period. As part of the MAA Agreement, PUSH have been encouraged by GOSE to submit a bid.
2. The jobs, (defined as jobs which would not exist without this funding,) are required to last for at least 6 months, for at least 25 hours per week and paid at least at the national minimum wage, (£4.77 per hour 18 – 21 years and £5.73 for 21+). The FJF funding for each job will not exceed £6,500. All bids will also be expected to demonstrate value for money by delivering maximum benefit to individuals and communities for the cost incurred.
3. Assessment of bids will be continuous, and bids 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 begin in October, or earlier. DWP / CLG aim to notify bidders within 5 weeks of submitting a bid whether or not their bid was successful.
4. Bids which pass the minimum criteria, but are not successful initially, will be considered for future allocations automatically (i.e. bidders will not need to resubmit the same proposal, although they could strengthen their bids, submit additional bids, or withdraw from the process if they chose to do so). DWP / CLG will also look to provide feedback to unsuccessful bidders and have stated they will not penalise bidders who were unable to submit a bid by 30 June.
5. Partnerships accessing the Future Jobs Fund are required to develop a clear framework for integrating employment and skills consisting of a Worklessness Assessment and a Work and Skills Plan. The plans should include integrated worklessness budgets that could, over time, form the basis for aligning and pooling funding and facilitating further co-commissioning of services.
6. The Worklessness Assessment will form an integral part of the proposed local authority economic assessment duty, which is likely to come into effect from April 2010. It will provide a clear picture of the scale of worklessness in an area and local economic conditions. It will provide the foundation for setting local strategic priorities and objectives and build on the local analyses, targets and actions already defined in the multi-area agreement and local area agreements.
7. Guidance on the content of the Work and Skills plan will be made available over the coming months. It is likely to include:-
 - The strategic approach to meeting the objectives defined in the worklessness assessment;

- Descriptions of the current funding arrangements for tackling worklessness;
 - Demonstrate the case for further devolution of resources, powers, responsibilities and greater flexibilities; and
 - The basis for partnerships to be accountable for any greater responsibilities devolved to them.
8. In bidding for the Future Jobs Fund, Local Partnerships will need to include the costs of the Work and Skills Plan within their administrative costs.

PROGRESS TO DATE

9. Further clarification obtained from DWP indicated that the only areas of significant disadvantage in the South East Region were in Kent. As a result, this bid will be focussed on those aged 18 to 24 who have been unemployed for around 12 months.
10. Proformas covering the key requirements of the actual bid document have been circulated to prospective partners across the PUSH region, and the Isle of Wight, and shared with colleagues at HCC. These will form the detailed components of the bid in terms of outputs and finances.
11. Advice has been received from JobCentre Plus, (JC+) and the Government Office, among others, that a single “consortium” bid covering the whole of Hampshire and the Isle of Wight would be their preferred option. Indications at present are that HCC would lead on County-wide projects covering the themes of environment and conservation, but the geographic mechanics of achieving this have yet to be finalised.
12. Initial bid outlines have indicated that there are between 300 and 500 jobs already identified that would be ready to be taken up by October in the PUSH area. This would make this part of the initial bid between £1.95 and £3.25 million. Further bids on a rolling programme could be submitted after this, potentially on a one or two month cycle.

ISSUES & IMPLICATIONS

Contractual and Legal Arrangements:

13. Initial discussions with potential partners have identified a draft delivery model attached at Appendix A. This model assumes that the County Council would be the lead accountable body for the consortium and would hold the contract with the DWP. There would be two lead partners, with Portsmouth City Council acting as lead partner and employing body for PUSH and the IOW. Further discussions are taking place with the County Council and other key partners to determine the specific contractual arrangements that would apply and the practicalities of the delivery, as well as the reporting and project monitoring structures, which will need to be put in place. An update on

progress with finalising these arrangements will be made to the Joint Committee on 26 June.

Financial Implications

14. Although the DWP / CLG have not yet finalised the full details, indications at present are that successful bidders will receive an initial payment of agreed set up costs. The ongoing additional project costs will be paid against the number of job opportunities provided by the fund and taken up by clients, on either a monthly or quarterly basis. In either case, payments will not be passported by HCC to projects /PCC for PUSH unless they are achieving the outputs they have claimed, so there will be no financial risk to HCC.

CONCLUSION

15. Although there are still some uncertainties around details of the bid delivery, and accounting arrangements, including forward funding of some elements of the main programme, the Future Jobs Fund presents the PUSH sub region and the wider County with a strategic opportunity to deliver a significant programme of job creation to a vulnerable client group. For PUSH itself, building on a partner track record of delivering similar projects the FJF bid will be able to help some of the hardest to help client groups to not only find short term work, but linked to appropriate training and guidance, to secure the building blocks of their individual future job and career options.

Background Papers: DWP / CLG Future Jobs Fund information

Reference Papers: None

Enquiries:

For further information on this report please contact:-

Jane Hurdley, Portsmouth City Council (on behalf of Kathy Wadsworth, Strategic Director)

Tel. No. 02392 834 803

e-mail jane.hurdley@portsmouthcc.gov.uk