



# Future Jobs Fund

## Guide to the Future Jobs Fund

### What is the Future Jobs Fund?

The Future Jobs Fund is a fund of around £1 billion 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 Budget 2009 and is to be spent over the next two years. It is a challenge fund which invites organisations to submit bids for funding. 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. These will be aimed primarily at 18-24 year olds who have been out of work for a year. This will support the 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 6 months, and so we are keen to encourage bids from all areas across Great Britain (England, Scotland and Wales). We will also specifically target 50,000 jobs in unemployment hotspots and anticipate that around 10,000 of the 150,000 jobs created will be green jobs.

We want to encourage innovative bids to create jobs and the Government is keen to work with local authorities, social enterprises and charities to turn this important priority into a reality.

### Who can bid?

Bids can come from anyone, but we have a strong preference for partnership bids. We expect the majority of bids to the Fund to be led by local authorities, sub-regional, city region and local partnerships, or by national or local public sector and third sector bodies.

We expect that bids to the Fund will be mainly from larger organisations - as a guide, bids should aim to create at least 30 jobs over a six month period. However, we are also keen for small and micro organisations, including social enterprises, to be involved, and so we strongly encourage such organisations to work in partnership with local authorities and/ or other third sector organisations to develop joint bids. We will continue to refine the bidding processes to ensure that we meet our aims and organisations of all sizes are involved.

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## What are the criteria?

### Minimum Criteria

Each bid will need to demonstrate that:

- it will create extra jobs, lasting at least 6 months, either for long term unemployed young people or people in unemployment hotspots;
- the work done will benefit local communities; and
- the work will be under way quickly.

Some definitions - by 'extra' we mean that the jobs would not exist without this funding; by 'job' we mean work for at least 25 hours a week paid at least at the national minimum wage; by 'long term unemployed' we mean people who have been on Jobseeker's Allowance (JSA) for approaching a year; by 'young people' we mean between 18 and 24; by 'hotspot' we currently mean areas where the rate of unemployment on the JSA measure is (in the latest unemployment figures) more than 1.5 per cent above the national average. We will ask bidders to identify any geographical area(s) that they consider to be such a "hotspot" when presenting their bid.

The Future Jobs Fund contribution for each job will not exceed £6,500. We will welcome bids with a lower unit cost and/ or which align other funding streams to supplement Future Jobs Fund funding. All bids will also be expected to demonstrate value for money by delivering maximum benefit to individuals and communities for the cost incurred.

All local partnerships that are awarded funding in England will be required to develop a Work and Skills Plan by April 2010 and in developing bids local partnerships will need to set out an initial worklessness assessment to demonstrate the longer-term benefits the funding will deliver. We will be discussing with partners in Scotland and Wales whether any similar requirements should be placed on authorities in those areas.

One of the key aims of the Jobs Fund is to support the guarantee for young unemployed people. The Government will therefore need to match demand for jobs with supply. Bidders should demonstrate that jobs will correspond to levels of long-term unemployment, particularly youth unemployment, in areas where jobs will be created. Bidders will need to set out a timeline of when and how many jobs will be made available on a month by month basis over the length of the period covered by their bid (i.e. we do not anticipate that all jobs will start on the same day).

### Secondary criteria

If a substantial number of bids pass the minimum requirements we will take account of a number of secondary criteria. These are:

- unit cost to the Fund, in terms of both:
  - the average cost per job of each bid; and
  - the extent to which other funding streams are aligned to support the proposal, e.g. Working Neighbourhoods Fund in England and Deprived Areas Fund in Scotland and Wales where available;

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- the extent to which the job would support an individual's move into permanent employment, through:
  - the potential of the job itself to lead to permanent employment; or
  - the inclusion of accredited training, development opportunities and job search activity within the bid; and
- providing confidence that the jobs will be delivered successfully, e.g. a track record of delivering jobs of this type or support to young people.

## **How does the bidding process work?**

Assessment of bids will be continuous. Bids can be submitted at any time; the sooner the better. 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. We will aim to notify bidders within 5 weeks of submitting a bid whether or not their bid was successful.

We want high quality bids and so we encourage you to work with key local stakeholders as you develop your bids. We will also be putting in place arrangements to provide advisory support to help bidders prepare their bids and will publish the details of this shortly. In England, this will include a named contact in each of the Government Offices.

Bids will be considered by an assessment panel taking advice from experts where necessary. The assessment panel may invite bidders to clarify their proposals before allocations are made. 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). We will also look to provide feedback to unsuccessful bidders. We will not penalise bidders who were unable to submit a bid by 30 June.

Bids should be submitted to: [future.jobsfund@dpw.gsi.gov.uk](mailto:future.jobsfund@dpw.gsi.gov.uk)

## **How will people be matched to places?**

Successful bidders will need to meet their commitment to fill the jobs with long term unemployed people. We expect that in most cases eligible candidates will be referred to employers by Jobcentre Plus. In some cases individuals may self-present to the employer, or may be identified by them directly. In these situations, Jobcentre Plus will need to confirm an individual's eligibility. Future Jobs Fund employers will be encouraged to sign a Local Employment Partnership (LEP) with Jobcentre Plus.

Future Jobs Fund employers will not be required to take on any particular individual who is referred to them but will be expected to give reasons if they decline to take someone on and to provide feedback on what the individual could have done to be successful in their application.

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## **What support will Jobcentre Plus provide?**

Jobcentre Plus will be a key partner in the referral and support process for Future Jobs Fund employers. People will be referred to Future Jobs Fund employers following discussions with their Personal Advisor. Bidders should discuss with Jobcentre Plus whether their bid assumes that any of the jobs created will go to people over the age of 24, particularly in unemployment hotspots.

## **How do we pay employers?**

We will consult further on how we will transfer funds to Future Jobs Fund employers, but currently propose that the funding be paid in part up front, to cover agreed start up costs, with the remaining funds paid over the course of the 6 month job.

We propose that where an individual leaves Future Jobs Fund employment in under 6 months, the place would remain open with the employer and would be filled by another person referred by Jobcentre Plus. While the place remained unfilled, the funding would be suspended.

## **What are employers required to deliver?**

Employers should deliver jobs according to the parameters of their proposal. This would be set out in an agreement between the lead bidder and DWP, which could be a formal contract.

Employers should act as good employers, by delivering the requisite training and support in the workplace and helping the individual find sustainable employment. If bidders want to apply for Future Jobs Fund resource to fund the first six months of a Modern Apprenticeship they would have to demonstrate that the apprenticeship would be paid at National Minimum Wage and that alternative funding would be available to fund the remainder of the apprenticeship.

Bidders should think creatively about involving a wide range of partners who can deliver additional support to their Future Jobs Fund employees.

Future Jobs Fund employers should offer an exit interview to everyone who leaves a Future Jobs Fund job to assess their experience of the job, and provide them with a reference that captures their performance, attendance record and any skills learnt.

## **Who gets these new jobs?**

The Future Jobs Fund has been set up to provide additional job opportunities to jobseekers and other people on out of work benefits who would otherwise be unable to find work by ensuring a significant number of people, particularly those aged 18 – 24 who have been unemployed for around 12 months, are able to take up these new jobs.

As well as making a significant contribution to the Government's guarantee for young people, it will also provide much needed and valuable support to other people who have been out of work and on benefit for around a year. This dual approach

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ensures that young and disadvantaged people do not lose touch with the labour market.

## **When do the jobs need to start?**

We want to get this up running as soon as possible, and so bids can be submitted at any time; the sooner the better. 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.

## **What happens next?**

Local Authorities and other organisations should come together with their partners to develop bids for their area using the form and guidance on the website. For bids submitted by Tuesday 30 June 2009 we plan to announce the outcomes by early August 2009.

We will continue to update our website and will seek to share best practice and innovative ideas, and to encourage further bids.

If you require more information, or to submit a bid, please contact [future.jobsfund@dpw.gsi.gov.uk](mailto:future.jobsfund@dpw.gsi.gov.uk).

## **Disclaimers**

Statements by the Government (whether directly or by its agents or representatives) as to the future process and timing of Future Jobs Fund reflects the Governments current intentions, and the Government reserves the right to vary the bidding procedure and/or timetable by notice in writing, including terminating it altogether.

By issuing this invitation to bid, DWP and CLG are not bound in anyway and do not have to accept any bids. Bidders will not be entitled to claim from DWP or CLG any costs or expenses they incur in preparing bids, whether or not they are successful.