

Response by the Social Enterprise Coalition to the Work and Pensions Committee Inquiry on Youth Unemployment and the Future Jobs Fund

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Summary

1. The Social Enterprise Coalition believes that the Future Jobs Fund has demonstrated some successes in matching new work experience opportunities to young unemployed people. Social enterprises including The Healthy Hub, Striding Out and Trescom have been involved in the scheme and they give examples of young people who have benefitted. FJF employees report that they have gained new skills and become more confident.
2. The strengths of the scheme have included its flexibility, the way in which it has enabled locally tailored solutions to be developed, payment being made up front, its light-touch administration and the real work opportunities it has provided for young people. It has also given participants something meaningful to show on a CV and acted as a stepping stone to full-time permanent employment. The scheme has increased capacity, given young people experience of a professional environment and helped them become work ready.
3. The weaknesses of the scheme have included its hasty development and the focus on targets. There has also been some criticism of the role of Job Centre Plus and issues with the quality down the delivery chain. Although not all of the jobs created through the Future Jobs Fund have immediately resulted in permanent employment it is our view that those created in social enterprises can put young people in a stronger position in the employment market.
4. The impact of the early end to the Future Jobs Fund has been a concern to some social enterprises, whilst others report that they are able to sustain the jobs or that young people have moved into employment elsewhere.
5. The Social Enterprise Coalition wants to see a continuing role for social enterprises in the new Work Programme. Social enterprises will need greater clarity about how they can get involved and it is important that the structures developed do not stifle their ability to innovate.

Introduction

6. The Social Enterprise Coalition (SEC) welcomes the opportunity to respond to the Work and Pensions Committee Inquiry on Youth Unemployment and the Future Jobs Fund.
7. SEC was established in 2002 as the national voice of social enterprise. We represent a wide range of social enterprises, umbrella bodies and networks, with a combined membership reaching over 10,500 social enterprises. These include co-operatives and mutuals, development trusts, housing associations, leisure and football supporters' trusts and Social Firms. This response was informed by consultation with members of SEC.
8. Social enterprises are businesses with primarily social or environmental objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners.
9. Social enterprises provide jobs, skills and services that are needed to hold the economy and communities together, all the more so in the wake of economic upheaval. They play a significant role in tackling unemployment, providing meaningful employment to those who are often most removed from the labour market. Social enterprises provide work within the marketplace and provide targeted interventions that tackle the causes of long-term unemployment. They have rebuilt wealth, skills and employment within communities that have suffered on a large scale.
10. A number of members of SEC have delivered jobs through the Future Jobs Fund. We recognise that those who are furthest from the job market may need long-term support to move them towards employment over sustained periods. We have supported Intermediate Labour Market programmes but as the Future Jobs Fund is wound down and replaced with a Single Work Programme, SEC will work to identify the opportunities and challenges that this may bring for social enterprises involved in helping people into employment.
11. In this response we present our views on the Future Jobs Fund with case studies of social enterprises and support organisations involved in it. We believe that this represents some of the achievements by social enterprises in the scheme.

Point 1: The extent to which the FJF has succeeded in matching new work experience opportunities to young unemployed people

12. SEC believes that the Future Jobs Fund has demonstrated some successes in matching new work experience opportunities to young unemployed people. It has put young people into jobs instead of the numerous training schemes that were around before it. Despite being hit by some initial teething problems, a number of social enterprises have demonstrated significant results in the scheme.
13. Below are some case studies demonstrating where social enterprises have been involved in successful matches:

Caroline Geddes, Research Assistant (Lead Accountable Body – The Healthy Hub / Host Organisation – Larkfleet Homes)

In April I began working for Larkfleet Homes as part of the FJF scheme. I am a research assistant to Larkfleet's Investment Director. Prior to obtaining this opportunity I was trying to gain an office-based job but being constantly told that despite having a degree I lacked experience in this environment. How was I supposed to gain experience if no one was willing to give me the break I needed? The FJF scheme has given me this much needed break. After working hard for three years at university I didn't want to have to work in a job which I could have done without gaining a degree which I believe based on the local job market and current economic climate I would have had to have done without this opportunity.

What more could I want? I work a few miles from my house, in an office-based environment for an award winning house builder. I enjoy what I do and like the people I work alongside. I strongly believe that working for Larkfleet Homes will set me in good stead for looking for subsequent employment and will be a fulfilling and rewarding learning curve in which I gain a whole range of new skills and knowledge which I can take away with me and apply to any future job. I will not just have a CV with my qualifications and interests listed, but a CV that demonstrates that I have the required experience needed, making me more employable for future employers.

Since working for Larkfleet I have learnt a considerable amount. Not just your office basics like photocopying and filing, but I completed a project regarding housing information by district area and have played a key part in compiling each month's kickstart reports.

Case study from Striding Out, March 2010 - Sophia Williams, IT & Multimedia Assistant, Think Productive

Sophia Williams is a twenty-three year old Graphic Design graduate. Due to lack of experience, she has lost out to several job positions in her field. However, after joining up to the Future Jobs Fund, she managed to get a job as an IT and Multimedia Assistant at Think Productive. She is also using her degree to do some graphic design for the company.

Her initial appeal for the job was that the company was new and the hours were flexible. She has now settled into the job comfortably and is able to communicate well with her boss. Sophia has developed her administration skills as well as search engine optimisation.

The coaching sessions have also been insightful to Sophia. She has learnt a lot more about herself and finds the time with the Coach helpful and positive. She also believes that her new job has given her more confidence to do tasks which she didn't think she was capable of doing before.

"My experience with Striding Out has been extremely positive. I like the fact that you don't need experience and that the job provides you with training. I am also happy to have been given the opportunity to work within my desired career choice."

Hina Begum, Project Worker, Trescom Training and Community Regeneration

I feel myself lucky to have that chance to be a part of Trescom's success and I am glad that I am getting myself trained here. So far I could see a great difference in myself. I am more ambitious than ever, I am more adaptable and more confident. I am going to have an accredited training by the end of March. I have realized that I have got an enthusiasm, flexibility and skills but Trescom have got that platform where we can put our skills in to practice. For me, Trescom is a mould where they will shape my skills according to my needs...

...I have been doing voluntary work since 2007. This is my first paid job in the last three and a half years. I think the Future Jobs Fund is an amazing campaign.

Graeme Swinbank, Administrative Support Assistant, Trescom Training and Community Regeneration

Since starting work at Trescom I have mostly been involved in work regarding social enterprise. I knew very little about social enterprise when I began working here, but I now have an understanding of the work they do and how they work to achieve their goals.

Ian Dring, Business Manager, Pluss

We have employed 20 FJF employees in total in a wide variety of roles that include job coaching, administration and sales. We have not been disappointed by any of them. They have quickly settled in, have been enthusiastic, have been hard working and have made an important contribution to our social enterprise.

Point 2: Strengths and weaknesses of the FJF programme from the perspective of providers (including in the third sector), employers and young unemployed people, and particularly in relation to the long-term sustainability of employment opportunities.

14. We have identified some headline strengths and weaknesses of the FJF programme. We have also gathered some perspectives of people involved.

15. The strengths of the Future Jobs Fund programme have included:

- The scheme has been flexible
- It has enabled locally tailored solutions
- Payment was made up front which supported smaller organisations where cash flow can be a challenge
- It provided real work opportunities for young people, rather than just training schemes, with participants increasing their motivation and self confidence – such integrated labour market solutions have repeatedly demonstrated their success

- Participants have something meaningful to show on a CV as well as 'trying' out work they may otherwise not considered
- The administration of the Fund was relatively light-touch
- The work done has brought community benefits
- The scheme has acted as a stepping stone for young people to progress to full-time paid employment

16. The weaknesses of the Future Jobs Fund programme have included:

- It was hastily developed and was highly focused on targets
- The placements were short-term and there was no guarantee that the person would be retained at the end of it
- The role of Job Centre Plus has been criticised by some, with mention of them not being ready, not having the staff or training or not making suitable referrals
- The quality down the delivery chain was not always as good as it could have been

17. Some perspectives on the programme are presented here:

Life after the Future Jobs Fund, June 2010 - extract from Social Enterprise Coalition Chief Executive Peter Holbrook's blog:

...DWP claimed the Future Jobs Fund to be inefficient. I was displeased by this analysis. Social enterprises that were invited to support this initiative have between them created thousands of jobs and thousands of qualified and motivated people young and old who previously had little or no experience of what work is like.

I know FJF wasn't a cheap option and there was no doubt that there are areas where things could have been improved, but having visited lots of social enterprises that were participating in the scheme I have no doubt that it was effective. Dozens of people on the scheme told me this directly.

I want to ensure that whatever replaces FJF uses the learning of our sector to create something at least as good and that recognizes the features of this programme that were successful. It is a rare thing indeed that employment schemes get a general thumbs up from our sector leaders large and small. I firmly believe that supported employment schemes like FJF are one of the most effective ways of addressing unemployment.

Saeeda Ahmed, Founding Director, Trescom Training and Community Regeneration, March 2010

Trescom has been involved in the Future Jobs Fund since the start of the scheme and we were at first really apprehensive about the calibre of the candidates we would get. We were all really pleasantly surprised on the day of the first interviews back in January. The majority of the interviewees were really good and we had no hesitation to offer the jobs to our first five candidates. Similarly, in the second interview day in February, the people that turned up for the interviews were again of a very high calibre and we offered a job to another four candidates.

Since then, our experience remained the same: all the new FJF employees have been very dedicated, motivated, committed to the Company and hard-working. I think a turning point was the hard work they all put in to prepare the meeting with an important client that visited in early March: the staff had so many ideas and went on to prepare a fabulous meeting and a presentation about Trescom that was received extremely well by the client.

The FJF has also given us the opportunity to employ staff at a very crucial and busy time for Trescom, while we are delivering a number of really important contracts. In addition, the employment of two of the FJF staff coincided with the start of our new project with the School of Management, which gave us the opportunity to appoint two of the Project Administrators directly to it.

Morgan Killick, Managing Director, ESP Projects Ltd and Board Member, Social Enterprise Yorkshire & Humber, June 2010

What has worked best with the Future Jobs Fund?

The people! Pretty much everyone has attended the interviews and give a decent account of themselves. The overall standard has been quite good, we have been impressed with some of the people we have seen. I think this was a fantastic opportunity to give people a chance, gain real experience and the ones we have recruited have seized the opportunity with both hands. Many report they would be doing little else constructively.

It also seems to work very well from an employer's perspective – it allows an employer to bring in extra hands at no cost and encourages innovation and experimentation in new areas. The 'light touch' administration of it is also incredibly appealing.

Troy Trewin, Chief Executive Officer, ResponsibleIT CIC, September 2010

In July 2010 Laurence Downs started as an IT Support engineer at ResponsibleIT CIC thanks to the Future Jobs Fund. He is now well on the way to building up commercial experience and gaining his Microsoft qualifications so next year we can recruit him out to organisations that need a good junior IT support engineer. As a social enterprise our mission is to help young people with a talent and passion for IT start a successful career and thanks to the Future Jobs Fund, we have been able to do that for Laurence. The scheme is easy to administer and will influence us in starting more young people sooner. Without some seed funding for each person, we cannot afford to take on new Apprentices at the moment. We have six currently and would like to extend that to over 10 before 2011.

Charles Rapson, Operations & Enterprise Manager, Solihull SUSTAIN & Colebridge Trust, June 2010

Peter has been out of work for over two years following a period of ill health. Whilst he is older than 24, he was on incapacity benefits and lived in one of the designated priority areas and so qualified for the scheme. Peter joined our social enterprise Waterloo Woodwork a few weeks ago and his appointment has already had an impact on our business. Having Peter on board has unblocked a capacity constraint in the amount of work we could take on.

Our earned income from trading historically has only been around £1500 a month as the other two key members of staff are limited by care responsibilities and the needs of our learning disabled (LD) clients. With Peter, we have been able to reorganise our care and paid work responsibilities to enable us to take on more commercial work without detriment to the care side. In fact, if anything the care aspects have improved as we are offering our LD clients greater variety and better quality experience.

This month we are supporting the local council stage an exhibition at the Gardeners World Live event at the NEC. The more physically able of our clients have been able to work on building the exhibition at the NEC. A completely new and rewarding experience for them. Others have been able to work on less strenuous activities within the workshop. The net result is that our income in June is likely to top £4000. Further conversations with potential customers suggest strongly that this level of activity could easily be maintained and we are looking to increase our trading income forecasts to around £5000 a month. We now have the capacity to realise this level of work and more. Not only that but our confidence has risen to such an extent that we are now talking to the Care Trust and other partners about increasing the care provision from 10 to 20 learning disabled clients.

Without Future Jobs Fund we probably would not have taken this step to increase our capacity. Future Jobs Fund reduced the risk and has acted as a catalyst for future expansion.

18. We have also gathered further evidence on issues including on the benefits to employees and employers:

19. The main benefit for organisations having Future Jobs Fund employees, determined by Social Enterprise Solutions research, was identified as being increased capacity. The main benefit highlighted for the Future Jobs Fund employees was experiencing a professional environment, team work, developing a work ethic and becoming 'work ready'. Other benefits cited included building confidence, self-esteem and sense of purpose and developing new skills.
20. Although clearly not all jobs created through the Future Jobs Fund have immediately resulted in permanent employment, it is our view that those created in social enterprises can put young people in a stronger position in the employment market. Because of their enterprise-orientation, social enterprises that have used the Future Jobs Fund in an experimental way to develop new work areas at least have the potential to sustain the jobs if those new parts of the business succeed.

Morgan Killick, Managing Director, ESP Projects Ltd

With six months to play with there is a real opportunity to test a new product or service and this raises the possibility of creating a more permanent position.

Point 3: The likely impact of the decision to end the FJF in March 2011 rather than March 2012

21. The decision to end the FJF early has been a concern to a number of social enterprises and raises the associated issue of the long-term sustainability of jobs created.
22. FJF has given young people a flavour of the working environment which may spur them to aspire to further such opportunities and leave them better placed in terms of experience and motivation. In our online survey conducted between October 2009 and March 2010 on job creation in social enterprises, 25 respondents stated that they had made, or were part of a bid for the Future Jobs Fund. Of these, 37.7% stated that they envisaged that up to a quarter of the jobs they were creating would be sustained beyond the initial six months. 16.7% stated that they envisaged that over three-quarters of the jobs would be sustained.
23. The Scottish Social Enterprise Coalition (SSEC) surveyed its members and, excluding leading Coalition member The Wise Group, received replies from 25 members who were sub contractors in the FJF delivery. Of the 401 jobs created to date, SSEC members stated that at least 214 were sustainable permanent positions, engaged in a diverse range of activities including painting and decorating, gardening, social care, construction, recycling and timber.
24. Social Enterprise Solutions worked on a £800,000 Future Jobs Fund contract with 3SC. They surveyed 43 host organisations throughout June 2010. All stated that they would like to retain their Future Jobs Fund employees after the 6-month period, but this would not be possible for many of them, due to lack of funds. However, 19% of employees were expected to be kept on, by 20 of the 43 hosts, after the initial six months.
25. Concerns have been expressed by some social enterprises, including Ailsa Horizons Ltd and Hastings Furniture Services, about the impact the Future Jobs Fund scheme coming to an end. Horizons had hoped to be able to recruit at least one more FJF employee during this time and Julia Whitaker, Regeneration and Enterprise Manager, stated that it

had been a positive experience for Horizons and one they hope that they can replicate in the future.

Naomi Ridley, Chief Executive, Hastings Furniture Service

Long term sustainability of these jobs will be a problem, especially with the FJF scheme ending early, unless perhaps some kind of part-subsidy could be provided to help social enterprises get these roles established.

26. Acumen Development Trust, a social enterprise in the North East whose vision is to achieve social and economic regeneration through learning, employment and enterprise, has been able to secure opportunities for the eligible client group, concentrating mainly on the 18-24 priority age group. It reports that, such is the success of the programme, over 50% of those entering have entered permanent positions with companies - both private and in the voluntary and community sector.
27. Social enterprise Trescom reports that out of 10 people at the end of their FJF job, seven have obtained employment elsewhere.

Point 4: How the transition from FJF to the Work Programme will be managed, including the part to be played by the Government's proposal to fund new apprenticeships

28. We would like to see a continuing role for social enterprises in the Government's new Work Programme. However, it will be important to ensure that social enterprises are not shoe-horned into structures that stifle their ability to innovate and achieve the wider aims. Social enterprises will want greater clarity about the way in which they can get involved. Some have commented that, without knowing the details and whilst there is uncertainty about it, it is difficult to know how the transition will be managed. Concerns about cash flow resulting from the payment by results model will need to be effectively addressed.

Annex - About the enterprises

Acumen Development Trust

Acumen Development Trust is all about making a difference in the local communities of the North East. Offering a unique approach to regeneration, Acumen plays a vital role in bridging the gap between public service provision and communities by actively helping people into learning, employment, and enterprise. Services and activities include: educational visits for unemployed parents and their children; information, advice and guidance to help learners to make more informed choices about learning and training opportunities; help to identify transferable skills; and advice and guidance about all areas of business start-up.

Ailsa Horizons

Ailsa Horizons Ltd is a social enterprise and a charity established to build on the experience and track record gained since 2002 when it was set up as 'Girvan Horizons'. It is the rural regeneration company for South Ayrshire, runs a range of projects and offer services to community groups, social enterprises, and public and private sector organisations, including project development and management, training and business planning.

Colebridge Trust

Colebridge Trust Ltd operates a number of projects covering health and well-being, pre-employment support, work experience and training for adults with learning disabilities and a communications enterprise. Colebridge Trust also operates SUSTAiN – an umbrella body providing support, development and representation to Solihull's third sector organisations. Its mission is 'to build the capacity of Solihull's borough-wide communities, addressing social, economic and environmental deprivation and improving the life chances of its people.'

ESP Projects Ltd

ESP Projects provides IT support to the third sector. Structured like a conventional private company, ESP has social as well as financial objectives written into its Articles of Association. Shares in the company are owned by a diverse range of voluntary and community organisations as well as other social enterprises representing economic regeneration, neighbourhood renewal, disability issues as well as those addressing other forms of social exclusion. This type of ownership ensures that the priorities and aspirations of the community are reflected to not only in the constitution but also in the capital structure and in the boardroom.

Hastings Furniture Service

HFS is a charity that helps people with low incomes furnish and equip their home affordably. They collect and re-use furniture and electrical goods, preventing surplus items from going to waste. They also offer training and support to enable unemployed people to gain the qualifications, skills and confidence needed to play an active part in the community.

Pluss

Pluss is a social enterprise that offers a range of training and recruitment services, and also direct employment in its own manufacturing and mobility equipment businesses. Its Working division offers a range of services to help people train for, find and retain work. It also supports employers to employ disabled people. Its Manufacturing division employs and trains disabled people in industrial units that provide a wide range of quality products and services. Its Equipping division provides disabled people with mobility and disability equipment.

ResponsibleIT

ResponsibleIT was founded to help reduce youth unemployment in the UK whilst being a commercial viable business - aiming to be self-sustaining, not dependent on grants and donations. The company provides technology and IT support to home users in London. It is established as a Community Interest Company incorporated by guarantee. As a social enterprise, its profits are not handed out to investors or owners, but are used to further develop its primary social mission - to help young people in the UK with a passion and talent but no experience in IT start a successful career.

Social Enterprise Solutions

Social Enterprise Solutions (UK) Community Interest Company offers advice, mentoring and hands-on support with funding, procurement, partnership building, business planning, finances, networking and grant funding opportunities. The company is leading the way with the development of social enterprises in North West Lancashire. Its strategic vision is 'to assist in creating and developing dynamic and sustainable social enterprises which strengthen an inclusive and growing economy.' Social Enterprise Solutions is a Social Enterprise Mark holder.

Striding Out

Striding Out Community Interest Company provides leadership, business and career coaching and training services. They work with individuals of all ages and backgrounds but specialise in using coaching tools and techniques to empower young people to achieve their potential. Surplus income is re-invested to develop and improve the services provided.

Trescom

Yorkshire-based Trescom helps marginalised groups access employment through training and holistic support, and works with large organisations to improve the way they deliver services. Its mission is to help make positive change for communities in how services are delivered whilst enabling local people to be a key part of this process, so they 'own' that success.

Wise Group

The Wise Group is a social enterprise that devises and manages efficient, innovative and flexible ways into work. It increases job and training opportunities for people, contributes to the regeneration of communities, and helps create a fairer and greener society. The Wise Group works with partners to make a positive difference to people's lives through employment.