

**Barbara Thorndick's Notes for Presentation to Kent Housing Group on
Give Us a Chance**

Held at the Ashford International Hotel on 29 September 2011

(to be read in conjunction with the presentation slides)

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Good morning, I'm Barbara Thorndick, Managing Director of WK Consulting and formerly, Chief Executive of West Kent Housing Association. The theme of today's seminar is Better Homes, Localism, Aspiration and Choice. I'd like to talk about Aspiration and Choice.

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In August this year we witnessed on our TV screens horrific scenes of rioting, looting and arson in several London boroughs and cities across the UK. The riots, sparked off initially by events surrounding a fatal police shooting, spread like wild fire. Five people died, many more were injured and the damage to property has been estimated at over £200 million.

The causes of these riots will doubtless be debated for years but whatever your thoughts and beliefs about this – it is clear there is something broken in Britain. And one of the biggest issues I think we face, which is all about aspiration and choice, is unemployment amongst young people. If you don't even get to step onto the bottom of the ladder of work then what chance do you have of succeeding in life? The recession has hit us all but our young people have been disproportionately hit. Unemployment in the UK is currently running at around 7.9% but for people under 25 this has reached 20%. This is appalling and is something which I know as social housing providers we are all concerned about because it is our residents and communities that are hit hardest by the social and economic fallout caused by high levels of unemployment particularly among the young.

So rather than sit back and wring our hands about this huge issue we decided we needed to do something. Social housing providers have economic muscle in the market place, we are quite labour intense as organisations because we provide a wide range of services, both directly and through our partner contractors and therefore we can provide opportunities for young people through apprenticeships and temporary jobs. What really showed us the way was a scheme developed by the previous government called the Future Jobs Fund.

The FJF was terrific. At West Kent, my previous association, we were able to offer 76 young people (70 within West Kent and six with our partners) temporary paid jobs in six month placements over a period of 18 months. 58% of those young people went on to employment or further education. This is a huge success rate for this client group and echoed throughout the country - as demonstrated by an evaluation of FJF carried out by the Centre for Economic and Social Inclusion on behalf of a group of northern local authorities.

But statistics are a bit dry and don't really paint the picture of this success well enough. To do that I will briefly run through a couple of case studies of individual young people who had been unemployed for more than 12 months, and came to us through FJF and used it to successfully springboard into work.

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This is Ruth Wyeth. Ruth finished university in July 2009 but was unable to find employment. She was living on benefits whilst also looking after her mum who had been diagnosed with cancer. Ruth joined West Kent Extra in March 2010 as a Community Development Trainee and soon became a valued member of the team. When her placement ended Ruth's contract was extended and subsequently she successfully applied for the post of Community Involvement Officer. This is a one year contract which is likely to be extended. Ruth now works with West Kent Extra's tenants and residents in Medway to raise awareness of involvement opportunities and has set up two forums which have been well attended. Ruth oversees the Starter Packs Project which helps people who have secured a tenancy after being in desperate circumstances, such as fleeing domestic abuse.

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Ruth says:

"I had not considered working in Community Development until this Future Jobs Fund placement was offered to me. I fell into it by accident but now I love it! I am grateful to the Future Jobs Fund and West Kent for giving me this opportunity".

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Daryl joined West Kent in March 2010 as a trainee handyman. His potential was quickly identified and he was invited to work as a trainee plumber. When his placement ended, West Kent were keen to keep such a promising employee and offered him an apprenticeship. However he couldn't drive. West Kent Extra paid for Daryl to take an intensive course of driving lessons. He passed his driving test and was then able to take on the role of apprentice plumber.

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Daryl says:

"If I hadn't have got this placement I would not have got the apprenticeship. I had tried for three years to get an apprenticeship in plumbing so it is thanks to the Future Jobs Fund and West Kent that I have been able to do the work I have always wanted to do".

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This picture is a slide of almost all the young people who came to work for us through the Future Jobs Fund. We benefited hugely as an organisation from them coming to work for us. They lowered the average age of the work force, had vitality and were fun, and hopefully we have helped launch many of them on to their future careers.

So why was FJF such a success? One of the key elements has been the fact the young people were paid the minimum wage. This gave them some reward for their work and helped them to understand there was some purpose to getting up early, arriving at work on time and putting in a full day's work. Unpaid work experience placements do not necessarily demonstrate this and although many industries are now offering unpaid 'internships' which are often over subscribed, these interns tend to come from middle class backgrounds where their parents can afford to continue to support the young person whilst they work for nothing to gain experience which will

hopefully one day lead to a paid job. Our residents' children are not in such a good position.

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Anyway as you will know who if you took part in FJF, the scheme has now gone. Unfortunately it has been a victim of the spending cuts, because although successful, it was considered expensive as the government was picking up the tab for the minimum wage paid out to the young person. The coalition government has made major changes how it delivers support to help unemployed people get jobs. Instead of a large number of different funding streams funding a variety of different programmes delivered by large, medium and small providers across the country, all money going to support Welfare to Work initiatives has been put into a large pot (worth up to £3 billion a year) which is called the Work Programme. The opportunity to deliver the outcomes required by government for spending Work Programme money has been contracted out to some very large mainly private sector contractors, known as Prime Contractors.

England has been divided up into regions and for each region, the DWP has appointed, after a formal tendering process, two or three Prime Contractors. The Prime Contractors for Kent are Avanta and G4S and they have a series of agreed outcomes for money they will receive from government. One of the biggest differences with this new programme is that payments are back-loaded, that is, contractors receive sustainment fees for people who retain their jobs over time. This is a recognition of the fact that getting an unemployed person a job is only half the battle it is getting a job and keeping it that really makes a difference. The government has said that it is up to the Prime Contractors as to how they achieve the required outcomes but there are heavy penalties if they don't. This freedom on process is known as the 'black box'. And it is because of this lack of prescription that we have seen an opportunity to try to negotiate a replacement for the FJF with the Prime Contractors so we can help young people get that first step on the employment ladder.

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At the beginning of this year driven by the sadness I felt at the closure of FJF, I wrote to a number of other social housing providers across the country to see if they felt the same. In March we formed a national consortium of social housing providers. This consortium now consists of 19 housing associations and one ALMO and others are interested in joining so we are growing. We have called the consortium 'Give Us a Chance; in recognition that this is what our young people need. Members of the consortium collectively own and manage 320,000 homes, provide services for around three quarters of a million people and employ over 15,000 staff.

We know we can help.

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So far we have commissioned research from Helen Cope Consulting into consortium members activities in undertaking a wide range of employment initiatives and her work published in May confirmed not only the success of FJF but also how important the social housing sector is in terms of providing a range of schemes and apprenticeships tackling training needs and unemployment amongst residents. We also commissioned the Centre for Economic and Social Inclusion to help us develop new models for delivering temporary paid jobs, apprenticeships, work experience and

volunteering opportunities, intensive support for families with long term intergenerational joblessness and general employment and training advice for residents. programme within our businesses for young people - in other words, a replacement for FJF.

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The 'Proving Talent' jobs model is a paid temporary programme within our businesses for young people – in other words a replacement for FJF. We have now started negotiations to get some pilot schemes off the ground. My colleague Jonathan Shaw who was a DWP minister (as well as Minister for the SE and a Medway MP) and who now works as an associate of WK Consulting is helping bring Prime Contractors and 'Give Us a Chance' Consortium members together to negotiate how pilot schemes in different parts of the country will work in practice. The funding to pay the young person the minimum wage for a 25 hour week temporary job will come from both the social housing provider and the Prime Contractor, how much each will contribute to this will depend on a number of different factors, such as how much potential profit the Prime Contractor is willing to forego to achieve more certainty of outcome in terms of the young person getting and sustaining a job. We are still at the early stage in terms of negotiations and have not yet started talking to the Prime Contractors in Kent so if you are interested in joining the consortium and perhaps get a pilot off the ground here please get in touch.

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This is exciting stuff and demonstrates how with a will to do something, you can, and what a difference you can make!