



# Future Prospects Draft Business Plan

**2010-2012**



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## **Executive Summary**

This plan aims to outline the actions that must take place to establish the longer term financial stability of Future Prospects, and its place as a key player within the York's agenda for economic inclusion for all.

As an organisation that once ran solely on local partnership funding, we are now an established, reputable, and award winning delivery agent of contracted work focused IAG provision in York.

The plan also explains the context within which Future Prospects operates.

Our ethos remains as distinctive as when we set up, to be customer focused in all we do, to deliver a quality service with the ability and talent of a staff team that prides itself on creativity and innovation in the field of IAG.

The balance we need to achieve to meet the needs of the changing local economy is a constant challenge. In a constrained public funding environment we face serious decisions about whether we will continue to deliver a customer focused effective service that offer the chance of economic inclusion for all.

With additional local investment, we can continue to deliver and develop our service as a truly responsive customer offer.

As a unique organisation, we know that investment will facilitate a flagship agency that York can be proud of, now and in the future.

## **Vision- What do we want to be in the future?**

Future Prospects is a key player in the economic and health inclusion agenda for the city. We want to be the leading and only all age customer focused learning and work guidance service which is free from eligibility and inclusive to all. We aim to be a portal for the city- an agency which can respond to local economic demands and help customers and employers navigate through change, and to build economic growth for York, and to strengthen the position of IAG provision as integral to the city's success. We wish to be a flagship organisation for economic inclusion in the city.

## **Key strategic aims of Future Prospects- How will we accomplish our vision?**

- Positioning the organisation as an integral player in the brokering of economic growth and reducing inequality in the local area
- Building on existing and developing new strategic and operational partnerships that generate new economic opportunities for local people of all ages
- Demonstrate value for money, including savings generated
- Identify further local opportunities for investment in our organisation, and lobby for a more flexible and differentiated funding model
- Link cross cutting agendas and informing policy change within the city as a solution focused provider
- To improve external perception and potential of Future Prospects to the wider business community
- To promote the key importance of IAG as an essential tool of navigation
- To promote employment as a public health issue as well as an economic one.
- Increase employer links through better partnership with business support agencies

## **Objectives- What must we complete to move forward?**

- Ensure Future Prospects is represented within the appropriate networks across the city.
- Having the right staff team, with relevant developmental opportunities in place to enable a responsive and quality service that offers the right level of diversification.
- Demonstrate clear leadership in order to establish the right balance between strategic and funding priorities.
- Improve evaluation of customer insight and experience as a method of increasing achievement against our performance indicators
- Produce data which demonstrates sound evidence of return on investment.
- To attract and maximise funding opportunities that enables us to offer a free service that has no eligibility criteria to people of all ages

- To work with employers to deliver services that align business need with local jobseekers
- To establish our presence as a niche provider of accredited learning and employability skills across an all age service

**Critical Success Factors- What areas must we focus on to achieve our vision?**

- We need engaged and capable staff, with a wide range of skills and the opportunity for creativity and innovation in delivery where possible.
- We need to ensure capacity does not become too stretched through lack of funding
- We need to ensure both staff and customers alike are able to feed into any quality cycles
- Offer strong leadership and management to help the organisation through constant change in a positive manner.
- We need to be able to maximise existing contracts to build up the business
- We need to be seen as critical to the success of City of York Councils objectives
- We need further investment if we are to continue to address the city's key strategic aims for economic inclusion for all sections of the community

**Key Performance Indicators- What are our metric indicators of success?**

- We need to increase our job outcomes by 15% in the first year, and 25% in the second year
- We need to reduce unfunded or low funded delivery by 20% of total annual clients seen in the first year, and 30% in the second year
- We need to keep staff costs below £500k per annum.
- We aim to earn an additional £10k per year through room hire and commercial activities

## Organisation Summary

Future Prospects was Future Prospects- was created in 1992 as a public sector partnership hosted by York College, as a pilot project to deliver a free and impartial Learning and Work Advice Service for local people aged 16 and above.

Growth of Future Prospects led to a transfer of undertakings in 2003 to City of York Council's City Strategy Directorate, though it has remained largely at 'arms length' as a service arm within the Economic Development and Partnerships Team. There has been a separate management group that has given regular input into Future Prospects since 1992, but this has had no governance arrangements attached. This group was dissolved in March 2010 to coincide with the ending of partnership arrangements with York College. Currently line management of the service head is undertaken by Roger Ranson, the Assistant Director for Economic Development and Partnerships within the City Strategy Directorate.

Although without clear legal constitutional status, the necessity of external funding to operate the service ensures that planning and driving the service sits within the internal management of the organisation. Future Prospects is a statutory organisation, but can be viewed as a 'unincorporated association' depending on funders viewpoints.

Future Prospects has benefited from annual 'core' investment from Economic Development and Partnerships team since its inception, and this has been further supported by a contribution from York College, who continue to hold the lease for Future Prospects' premises until August 2010.

Future Prospects has continued to be a key agency in the city for delivering responsive advice, guidance, practical 'up skilling' and holistic support for those seeking to re enter or move within the local job market. Over the years our services have been developed in response to customer demand, the changing local economic landscape, funding availability/ constraint and public policy drivers.

Our continuity of service is illustrated by our free, universal, and client focused IAG offer, which remains to this day.

The organisation has undergone relatively little structural change over the years, the first being in 2004 when the original manager moved on. Any change subsequent to this has been on the recommendation of staff and consultancy report Azure, who recommended a more flexible management model to build capacity for succession planning in 2004.

## **Products and services**

Future Prospects offers drop in, appointments, private and group delivery of free and impartial IAG and skills activity.

This is delivered mainly in our city centre base, within outreach community venues, and within employers or other organisations premises.

Our main offer is drop in advice and employability skills workshops, unaccredited and accredited bitesize and level 1 and 2 provision in IT, personal self development, workplace resilience and employability skills. Future Prospects is an accredited Open College Network Centre

We offer structured and intensive jobsearch activity through a variety of project funded mechanisms, and the ability to match customers with a 1-2-1 named Adviser to support them back to work for those who need more intensive input.

Our service offer is holistic, offering a wide range of services under one roof which tackle the multiple factors which jobseekers present with- skills for life issues, benefits calculations, financial inclusion, counselling sessions, as well as facilities to support independent jobsearch through access to IT facilities and appropriate jobseeking tools.

Although our service is open to all, we specialise in supporting those hardest to reach back into the labour market, achieved through a committed, experienced and qualified staff team of advisers who network with and advocate for various disadvantaged customer groups.

## **Premises**

Future Prospects operates from a ground floor 'shop front' which delivers the first tier drop in advice and information around learning and work. This aspect of the service is available one evening and Saturday morning in addition to normal office opening hours.

There are two further floors which accommodate both staff and public access, where training ,workshops, and 1-2-1 appointments take place.

Up until July 2010, York College have used rooms within the building on a weekly basis to deliver adult education courses, but Future Prospects will have sole use of the premises from this date onwards. The lease will transfer from York College to City of York Council on 11 August 2010 for a 5 year time period with a 2 year break clause built in for 2012.

There is capacity to offer room hire, meeting space, or a co located office space. This would be most attractive to an organisation that could work in partnership with Future Prospects, or where a city centre based accessible premises was a competitive advantage.

Future Prospects has its own IT network, running its own Small Business Server.

## **Management and Personnel**

A restructuring process began in April 2010 to streamline the service in line with funding streams. Although the restructure will not be complete in financial terms until September 2010, the staffing and service arrangements are in place from 5<sup>TH</sup> July 2010. Currently the organisation is headed by a full time manager who is supported by an operations Manager. The management team are energetic and committed to the long term future of the organisation.

These main roles are strategic and operational- both from a funding and positional sense, and management of contracts, quality systems and service change are key roles.

The bulk of staff are qualified Careers Advisers with a range of specialisms and additional professional qualifications that give Future Prospects both a competitive edge and professional reassurance for those referring agencies. The spread of customer experience and the wider skills set of group and teaching abilities enables Future Prospects to accommodate increased demand on the service through workshop style and group delivery. We have a small admin team which support the considerable data management obligations that accompany contractual arrangements.

Turnover is low, and we have the most diverse workforce profile within City of York Council. Our staff have a range of additional professional qualifications and we invest time and money in the development of our team.

In total we have 14.7 FTE staff.

## **Market Analysis**

Future Prospects is unique to York and indeed there is little evidence nationally that any other locality based service matches our breadth and scope of delivery.

Future Prospects is the only holistic IAG service in York. This model significantly contributes to supporting customers into work through the reduction of systemic barriers by having all relevant strands integrated under one service offer

Future Prospects is also the only all age guidance service in York, effectively help young people make the transition to adult services.

Future Prospects contributes to all aspects of the employment cycle. Although we are currently working with 70% of JSA claimants and 30% of ICB/ESA claimants in the city, 23% of our clients are also employed people seeking up skilling, career change and promotional opportunities.

Although we are a service for anyone, our reputation and track record is with the hardest to reach customers. 24% have health and disabilities as a barrier, and those with ESOL needs represent 11% of our customer base. Mainstream welfare to work programmes have limited impact on these customer groups.



Our customer impact surveys indicate that people overwhelmingly request a face to face service *because* they value the opportunity to talk through a range of related learning and work issues.

Some people do request email or telephone advice. However, public funding made available to Future Prospects does not support telephone or email advice, so we encourage and refer these contacts into the face to face service.

Having a service that delivers face to face supports the conversion of IAG delivery into job outcomes. Remote service offers cannot offer the same value for money, and can be judged through a 'deadweight' principle of return on investment.

As a truly local organisation, we are able to respond to local economic drivers that no other organisations have the flexibility or commercial interest to respond to, ensuring a rapid response to redundancies or job opportunities in the city. 15% of our clients come direct from JobcentrePlus (JCP) as a way of navigating the city's offer to unemployed residents.

Our continuity of service has enabled us to act as a navigator or portal for the city's residents, retaining the ability to feed back customer experience into the service design. 23% of service users are generated through word of mouth from existing customers- our single highest referral source. We have a 99% satisfaction rate for our service.

The majority of IAG delivery nationally is free to the customer as public funding supports this sector, and is often linked to JCP provision. There is a wide variety of private provision available to fee paying customers, but the industry has no statutory regulation.

The remit of Future Prospects is to offer impartial and free advice on point of contact in order that we are able to include groups where cost would be a significant barrier.

Although the commercial opportunity for delivering redundancy and outplacement has reduced during the recession, demand for the service has increased .We have increased our delivery of outplacement through the availability of the publically funded Response to Redundancy. The demand from local people and employers has continued to grow, and our key strength is our knowledge of the local labour market. If public funding ceases to support this strand of work, there may be a resurgence of commercial opportunities for a cost effective value for money local service. There is evidence of word of mouth recommendations from both local employers and those employers working within the same sector.

Future Prospects offer a niche learning product for the local skills market, evidenced by good partnership collaboration with Adult and Community Education, Connexions, and local training providers. Our delivery of bite size learning engages people in first steps learning and offers high conversion and retention rates to mainstream learning programmes. This provision is only delivered against funded ESF contracts.

Having a city centre base is highly desirable in terms of creating a wider footfall into the service. Our ability to recruit to a range of projects is a key competitive advantage- footfall

through our city centre premises can be upwards of 165 people a week, and we are able to target very specific hard to reach groups through our active Adviser network.

We support over 8000 customers a year- the largest market share of York's jobseeking adults.

## **Marketing and Promotion**

Future Prospects is well known in the city, and markets itself across local communities within York. We work in partnership with other organisations that can promote our service offer, and as a free service have an advantage over fee paying services, those with a narrow and time limited offer, and those with prescriptive referral routes. We support regular and varied promotional events across a range of targeted customer groups, from job fairs, to community fun days.

Our networking ability enables us to stay abreast of policy initiatives and funding opportunities, and we work across local, sub regional, and regional, public, private and third sector networks

The Future Prospects brand is well known and positively identified with in the York area. The brand tells people that we are local service devoted to their needs and based in the city. Our reputation for inclusive delivery is attractive to other organisations in the city, and we are able to deliver across a number of thematic objectives and local drivers. As an 'independent' brand, customers view us as a provider of choice.

We hold the matrix standard quality mark for IAG, and are the only organisation in the UK to win two excellence awards for innovation in our field of work.

We also market our outplacement and transitions offer to employers, with all aspects of the service linking back to our website.

## **Competitors**

There are a number of direct competitors in the city delivering DWP welfare to work programmes. The main three organisations are A4e, In training, and Working Links. These are national profit making companies who are acting as prime providers of DWP JCP programmes., mainly Pathways to Work and Flexible New Deal. Success rates have been limited, eg only 150 job outcomes were gained through the Pathways to Work programme which has been running in York since 2008. The National Audit Office has reported that value for money in these contracts has been low. None of the above provision is subcontracted, so delivery is in direct competition with Future Prospects. However, those delivering JCP contracts can only accept referrals from JCP, therefore cannot remedy underperformance when needed.

There is an extensive range of contracted providers of 'JCP support provision' which change regularly. Contracts range from national to regional, and JCP customers must choose from a range of provision through which only JCP can refer. The potential confusion this presents to both frontline JCP staff as well as customers ensures that jobseekers are signposted to Future Prospects to start their IAG journey.

All prime providers and contractors of support provision liaise with JCP only, and are not linked in with any of the local policy drivers or economic inclusion agenda for York.

The main competitor for IAG related activity is VTplc – Guidance Enterprises is the IAG contracting arm of the company. VTplc are the contract manager for various ESF co financing contracts, and are also part of a consortium- Careers Yorkshire and Humber. This company runs and will continue to deliver the Integrated Adult Careers Service ( next step brand) from August 2010. VTplc have the infrastructure to manage regional and sub regional contracts and they sub contract some delivery to Future Prospects through open and competitive tendering processes.

Currently there is direct competition from VT for customers through the Response to Redundancy priority 1 service. In addition they deliver nextstep IAG themselves in York but to a limited number. Future Prospects also deliver under this programme, but at a higher volume.

There is some minor crossover with the Connexions Service age groups, but this is framed within mutual partnership working, with young people referred on to the more specific provision that we offer NEET young parents, and our Workstep provision which young LD jobseekers are eligible for. Most of our contracted funding has aged 19+ eligibility.

In practice, Future Prospects is not often a direct competitor for services, as we are not able to deliver and manage projects over a sub regional or regional basis- a prerequisite for prime contractors.

All prime providers and large contract holders work to project specification only, with no ability to respond to the local economic landscape.

Our strength lies within our ability to deliver as a sub contracted organisation, delivering a high volume of clients through mainstream programme, or conversely to deliver outputs for hard to reach groups that the larger contractors struggle to work with. For this reason, Future Prospects is often seen as an ideal partner to engage with, but this does not mean there are funding models that can support partnership or collaborative work at every opportunity.

## **The impact of Future Prospects**

### **What does the service mean to our customers?**

Feedback and evaluation are incredibly important indicators, and enable us to have excellent customer insight. Our customers tell us that we are their provider of choice, and that we are able to meet their individual needs better than other agencies that operate within a similar setting. We regularly review our customer experience and are able to deliver a 99% customer satisfaction rating. We encourage customers and staff to document unmet needs and we have adapted our service and delivery to this. Examples here include the growth of our self development and workplace resilience courses, and our weekend and evening opening hours. Customers consistently tell us that other services either cannot meet their specific needs, either through lack of understanding or a limited and fragmented service offer. Our holistic offer is designed to reduce the time and barriers that prevent a swift return to the workplace, and our emphasis on practical 'upskilling' empowers individuals to leave the service with the ability to help themselves more effectively, giving our service sustainable impact. The fact that we are a provider of choice- rather than mandated, ensures we retain the flexibility to help the hardest to reach. Our staff have a wide skill sets, and this has been identified by customers as having a significant positive impact. One customer told us that the ability to identify and address her barriers and skills gap in a practical way under one roof moved her closer to the job market more quickly than trying to access separate services that could address her lack of IT skills, learn new techniques in online job application and give specific advice and guidance around local HE opportunities. Most of our customers achieve work within around 3 months of intensive use of the service. Whilst this would chime with average rates of progression from active benefits to the labour market, 49% of clients accessing Future Prospects have significant and potentially enduring barriers to returning to work.

### **What does our service mean to the community?**

Future Prospects is a key player within local community regeneration. Our service is delivered across venues within 7 local communities within York. Those involved in residents committees and neighbourhood forums value the input Future Prospects brings to their local area, and our ability to work holistically with individuals and families to improve income and economic prospects is a key part of this. Our impact on the health of people within disadvantaged local communities is clearly proved. One individual was referred by her doctor as her health issues were putting her in danger of losing her job. Her concern around a potential lack of income was also heightened as she felt she would soon not be able to afford a car to help transport her disabled son. She approached her doctor in some distress, requesting a referral to counselling. Our co located service at the surgery led her doctor to refer her to Future Prospects for income advice. Through a comprehensive assessment, the client was helped to apply for an appropriate benefit, given extensive advice around her finances if she was in or out of work, and was linked in with other support agencies that supply aid or charitable funding.

The impact on her was reduced stress and increased ability to cope at work due to a raised income, and the impact on the GP surgery was a cost saving due to not needing a referral to counselling and additional medication.

Both GP and client felt that without a community based intervention, neither party would have made the link to a solution focused service around learning and work issues.

### **What does our service mean to local businesses?**

Future Prospects knows the local landscape when it comes to jobs for local people. With a track record in successful redundancy transition, local employers turn to us for help with navigating change in the workplace. With the added public funding offer to support workplaces during the recession, this navigation has been all important. A rapid response to redundancy is essential to support both businesses and employees, and Future Prospects have been specifically requested by Portakabin and Sessions to meet their changing business needs. Our connection to the local labour market, the swift offer of a tailored support package, and an ongoing and holistic service which can support people beyond the immediate challenge of redundancy, are the key indicators of success in this area, and employers favour our quick practical response over form filling and complex referral systems. Although employers welcome a range of funding and support where available, their feedback consistently demonstrates that a local 'anchor' saves them time and resources when they need to respond quickly.

### **What does our service mean to CYC?**

Our service meets the aims and objectives of a variety of CYC strategies, as the work of Future Prospects addresses many cross cutting themes around learning, work, economic inclusion and health inequality. Future Prospects also contributes to a wide range of activity aimed at meeting National Indicators within the city's Local Area Agreement. We have excellent customer insight and are able to address the diverse needs of York residents - and our presence is very much an embedded part of the city and the local communities that surround it.

Future Prospects is seen as a flagship organisation by many elected members, as well as a range of colleagues within CYC. Our ability to engage with the hardest to reach and produce results is testament to an engaged and committed workforce that understands the local landscape. Both our activity and evaluation of the Kingsway Action Project indicate that Future Prospects acts as a hub for successful local projects which improve residents' lives in ways that can be measured and accounted for.

We believe we can support CYC to be an exemplar employer within the public sector, and internally, we share our expertise with colleagues. Future Prospects currently supports CYC to have a more diverse and inclusive workforce profile through aligning activity with a corporate strategy that prioritises customer facing objectives and streamlined business processes. A key example of this is our

presence as lead on the Workforce Plan for raising the profile of jobseekers with learning difficulties through the development of a tool kit and internships.

### **What does our service mean for local partnerships?**

The aim of partnership is to provide synergy where separate services may not be able to meet customer need, and to promote service innovation that will help organisations to grow and develop.

Future Prospects is well embedded within local, sub regional and regional networks, and this constantly adds quality to what we offer.

Key examples of this would be our employer facing work with Remploy in order to increase economic opportunities to disabled jobseekers. Working together with Remploy has enabled local people to benefit from National Employer Agreements that a larger organisation has the capacity to manage and develop, and a smaller organisation like Future Prospects can tap into. This has raised our level of job outcomes with disabled people.

Other partnership work involves raising the importance of economic opportunity in contributing to other agendas in York, and to anticipate the changes in the labour market. Partnership work with the Blueberry Academy has enabled local workless people to gain new qualifications and employment in the developing field of personalised support. Through sharing ideas about supply and demand, both organisation were able to use their knowledge of the York market, understanding of how new personalised arrangements might provide work opportunities, and to address a skills gap very quickly.

## Financial Plan

On average, the turnover for Future Prospects is around £800k, with £680k is on staffing, and £120k on infrastructure and fixed costs like rent and utilities.

As a statutory organisation with no separate constitution, Future Prospects is largely ineligible to apply for funding from the charitable and third sector

Traditionally 'core investment' from EDU and York College totalled around £245k (£165k EDU and £80k YC). York College removed their contribution in 09-10 and paid a small amount for enrolment delivery and room hire instead.

Contracted delivery normally represents around £500k of Future Prospects' income. This is difficult to exceed because most contracts have fixed profiles and short delivery schedules of between 6 -18 months There are few 'rolling programmes' which give the capacity to generate income as and when customers decide to access the service. This income has shrunk due to changes in contracting arrangements which require large primes to deliver over larger geographical areas, for a lower unit cost which often precludes subcontracting. The impending changes around Welfare to Work programmes are as yet unclear, but all primes have been given a year's notice on 5 years contracts, and some have contract break clauses of one month. Whether there will be opportunities to increase income in the new landscape from June 2011 is uncertain, particularly if the current payment by results funding model is further tightened.

In the current financial year 2010-11, an initial further loss of £27k in funding will occur through the transfer of all adult education course enrolments back to the providers. This change is not due to lack of performance or quality from Future Prospects, but funding constraints from the providers which have been passed on to us.

Future Prospects accounts from 09-10 showed a deficit of £141k. The loss of core investment and a constrained public funding landscape contributed to this situation. The public funding available to enable Future Prospects to deliver a quality holistic service has gradually declined over the last 3 years.

This is the first time Future Prospects has operated at a loss, and a restructure plan and consultation period began in April 2010. The aim was to reduce expenditure and raise additional income through 4 strands:

- Reduction and reorganisation of staff roles to reduce staffing costs
- Reorganisation and streamlining of service delivery to maximise existing contract streams
- Increased opening hours to maximise footfall into the service
- Reorganisation of building use to potentially accommodate either additional tenants or co located services that would mutually benefit the business

- Additional income through City of York Council on an 'invest to save' basis by extending the range of the One City initiative.

### **Staffing reduction**

The aim has been to reduce the staff team by at least 5.9 FTE, some of which has been achieved through natural wastage. Only 3.2 FTE posts have been lost through redundancy, and a further post will disappear in August through the expiry of a fixed term contract. A further casual post will end in July 2010, with the core tasks being outsourced to our existing IT support contractor. Capacity is stretched, and any further staffing loss would prevent our current success rates being achieved.

**Opening hours-** a minimum of 10 fundable interactions per day through the Information Shop (opening one day extra) and 8 fundable workshop participants and 6 people through the job search area x 42 sessions per year

### **Room hire/ rental income**

Through the freeing up of rooms once used by York College, there is an ability to increase workshop provision directly by Future Prospects by an extra 4 per week. There is also some ability to rent out rooms with notice for providers wanting to deliver relevant courses. In practice this works best with those wanting to highlight Future Prospects' own service to their learners.

10 weeks a year at £60 per day

Use of open space and one office on the top floor. As main tenant with some use of the top floor IT suite, it may be impossible to give the entire floor over to another tenant, and would be best to highlight linked organisations that could benefit from operating some of their service or specific activities from a city centre accessible premises. Discussions are ongoing with Latitude ( Hull based provider delivering JCP support contract) Remploy, University of Third Age, and i2i.

### **Additional income through City of York Council**

Future Prospects is well placed to move into additional work with employers and organisations, particularly within the public sector. Our position as a portal to the labour market can enable

- savings in recruitment and selection through pre employment support
- save City of York Council's spend on housing benefit and council tax benefit through moving people into paid employment
- reduce NHS North Yorkshire's annual spend on drugs based and talking therapies through work focused recovery

Our return on investment figures for 2009-2010 are:

- £2.78 million of additional revenue into York through jobs gained ( 308 jobs based on minimum wage and average of 30 hours a week employment)
- £57k of extra income flowing into the Westfield and Clifton area through benefits uptake
- £90k of extra income from benefits maximisation through city based service



- £1.57 million in annual benefits savings through moving people off benefits and into paid work

With an additional £100k investment from CYC, Future Prospects would be able to generate:

- £3.5 million of additional revenue into York through jobs gained in the first year
- £4 million of additional revenue in the second year
- £250k in benefits savings through moving people off benefits and into work

## **Appendix A                      PESTLE Analysis of Future Prospects**

**Political-** As an organisation that sits within a public policy landscape, Future Prospects needs to be aware of changing and developing government strategy. The recent change of government; the consequent restructuring or dissolving of non departmental government bodies, and updated legislation all affect the potential funding streams that Future Prospects needs to secure in order to deliver a Learning and Work Advice Service. The organisation needs to be able to anticipate how policy changes will affect the delivery of the services and the resources needed to respond effectively to this. In addition to this, the added pressure of deficit reduction as a political driver will impose further cuts in the public sector, leading to uncertainty amongst key stakeholders.

**Economic-** one of the key strategic aims of the organisation to both respond to and anticipate changes in the local economic landscape by supporting local residents to maximise their economic potential. National and local initiatives to improve economic status are a core part of Future Prospects' business function. Working in partnership with other local and national agencies to achieve economic improvement for the city as a whole is a key objective.

The organisation sits as part of the Economic Development and Partnerships team within the City of York Council's City Strategy Directorate. The economic landscape that affects Future Prospects can be divided into 3 components: Local- city wide initiatives largely generated by third sector or local authority funding

Regional- government office initiatives, ESF programmes that are delivered geographically, JCP national provision delivered through regional frameworks

National- IAG programmes such as Nextstep, and DWP provision.

In terms of the economic impact on Future Prospects, current funding streams have reduced in size and opportunity, with large prime contractors and fund holders dominating the sector. Some may choose to sub contract elements of a project or service to small organisations such as Future Prospects, but opportunities to boost income through project management have shrunk considerably. Most smaller organisations have formed consortia or partnerships as a way of strengthening the contract management potential in order to compete on more level playing field, but this has also seen a reduction in funding amounts to individual organisations. The sector is increasingly pressured by funding bodies which demand more for less, which squeezes the capacity and sustainability of Future Prospects in a serious way. Other funding opportunities which used to be negotiated directly between Future Prospects and the employer are the redundancy outplacement services. Historically Future Prospects have been heavily involved in supporting the transition process for large manufacturing concerns, but in a global recession, public funding has been used to totally change the methods by which this support is commissioned. This drive to a regionalised process involving multiple agencies has affected Future Prospects' ability to negotiate a commercial value for money redundancy support service with local employers directly. Fortunately the ability to deliver a responsive service has led to a re engagement of our services from those contracted to deliver national redundancy provision.

Current partners within the organisation have reviewed their own funding needs and for the first time have significantly cut financial contributions to Future Prospects.

This year that cut becomes a total withdrawal. This loss of 'core' funding puts increasing pressure on service capacity. In addition, transfer of the building's lease in August 2010 (currently held by partner organisation York College) will see our rent rise and business rates relief reduce.

Current and future funding pressures on the local authority have potentially led to commissioned services being pulled in a bid to just save money.

The organisation will need to diversify its business by identifying future commercial opportunities. To certain extent, a smaller organisation like Future Prospects can become unwittingly the key provision for vulnerable people, as those on more mainstream welfare to work programmes can be subject to 'creaming' and 'parking'. This is where inflexible funding model increase the risk of those closest to work enabling providers to reach their targets, and those who are hardest to reach are too time consuming and further from the job market and consequently either left or filtered to other organisations through signposting.

**Sociological-** By aiming to meet the learning and work needs of a diverse local population, the organisation needs to be aware of how changes in society can impact on the design and delivery of the service. By both responding to and anticipating changes in the local population through intelligence gathered through partnerships and networks, the organisation can meet the needs of the service user more effectively and can lead the way in good practice for others. The changing demographic nature of York and the importance of working with disadvantaged groups are key to this.

**Technological-** Knowledge and application of technological change is crucial to the organisation. Database management has grown more complex and the contract requirements of the services delivered within Future Prospects have increased exponentially over the last 3 years. The organisation manages not just its own database but is required to use external contractors in addition. These databases are often incompletely designed at the beginning of a project, with changes added throughout the contract duration. This constant change can make it difficult for those responsible for data inputting to remain accurate in their task. Specialist knowledge is almost always required to maximise the potential of any data storage system, and the needs of the service can only be met by those with specialist knowledge, as some of the more complex tasks require a skill level that is not transferable to other staff. Future Prospects is undergoing a current restructure which will enable us to spread the skills base across a wider range of staff, thus reducing the risk of lower performance due to a skills gap. Technological change for the service user means updating our methods of delivering our core advice and skills development service, This is because technological change affects our service users tremendously, as it is a key skill needed to both apply for *and* secure employment.

The push for IAG to become delivered through the internet, or to be using computerised tools as a method of delivery is now fully established in new national Integrated Adult Careers service under the refreshed next step brand.

The ability to engage clients to use technological tools will be one of the most important changes for this sector.

**Legal-**Future Prospects lobbies to promote positive change for those disadvantaged in the labour market. Future Prospects delivers advice and support around welfare benefits. Changes in legislation affect how and what we offer as an advice service.

Standards for running the service are driven by the matrix standard. It is vital the organisation work within the procedures set out by the matrix standard in order to be able to secure any funding to operate. The contractual obligations of the service enable prime contractors or fund holders to claw back income if audits are unsatisfactory

One of the other key ongoing legal issues for the organisation which directly affects funding is the organisation's constitution. Currently, Future Prospects sits firmly within the public sector, despite outward appearances to the contrary, and the perception of others. One of the main reasons for investigating moving the organisation to another status is to maximise funding opportunities that would come from the charitable sector- which currently we are unable to access. There have been several attempts to resolve the issue, and the current manager commissioned CVS to produce a preliminary report that investigated thoroughly the resource implications of this move in 2009. This report has confirmed that is not financially viable, or indeed constitutionally possible for Future Prospects to operate in a non statutory environment.

In terms of the qualification required to deliver IAG, the landscape can differ according to where you are deliver the service. Some environments do not require a specific qualification where other may demand a level 4 qualification. Generally speaking an NVQ3 in IAG is the basic requirement to operate, but Level 4 confers a professional status which has until recently been the desired standard required to operate any national IAG service. Existing contract already contain rules that prevent those with only a level 3 delivering a 'guidance' service. However, the latest project spec for the new Integrated Adult and Careers Service suggests that Level 4 may not be required in future as the national offer will be advice NOT guidance. There has also been a review of the matrix quality standard (the quality mark for IAG) which suggests that changes to qualifications may be implied in the future. Having the matrix standard is usually a prerequisite for any IAG contract delivery, but how that will intersect with qualification requirements is unclear until October 2010.

**Environmental-** Future Prospects has an environmental policy, but the working context of service delivery is heavily dictated by the audit requirements of secured contract. The reality of the paperwork trail works against any policy intent of IAG organisations to reduce their environmental impact.

**Appendix B**

**Future Prospects SWOT Analysis 2010**

<b>STRENGTHS</b>	<b>WEAKNESSES</b>
<p>Inclusive, open access, flexible                      Customer focused and committed to clients- UNIQUE service in York                      An integrated service between all aspects of service delivery- eg IAG, personal development, benefits etc..                      Variety of projects                      Flexible workforce                      Excellent reputation with clients and York public                      Good links with strategic players                      Good at connecting the links between strategic agendas eg health and economic inclusion                      Excellent customer insight due to the breadth of staff experience with hardest to reach customer groups                      Matrix accreditation and two excellence awards                      Local knowledge which is essential for supporting customers into local labour market                      Strong customer relationships- FP Is a provider of choice and holistic in offer                      Staff commitment and expertise                      Networks                      Professionally qualified staff with a wide range of additional qualifications                      Creativity and innovation are apparent through having all services located in the same building</p>	<p>high workload due to constant changing demands on the service and the need for staff to deliver to increasingly prescribed delivery models                      lack of 1-2-1 support                      not enough coordination of projects to maximise income                      demand of contractual funding models results in majority of service being centrally based which erodes links with community                      A universal service offer means too many people using the service are still not captured for projects                      Limited capacity to deliver the service                      No capacity to develop and market ourselves in new areas due to staffing constraints                      Data capture needs to be more accurate still needs to improve                      Quality systems- contract drives the project not the client                      Constant operational change due to the funding response                      Universal service difficult to fund                      Lack of staff- issues with sick leave and mat leave in a small org                      Staff pulled in many directions                      Staff morale currently low due to multiple factors- job eval, redundancies, funding restrictions and change                      Don't always manage client expectation well                      Inappropriate referrals from other partners                      Not enough people of influence realise our current funding cant deliver an inclusive a service as we have previously been able</p>
<b>OPPORTUNITIES</b>	<b>THREATS</b>
<p>More structured relationship with JCP as part of being an Integrated Adult Careers Service                      More targeted and restructured</p>	<p>Lack of funding- lower amounts and fewer subcontracting opportunities.                      Not enough flexible funding which could help resource and deliver outcomes more effectively than</p>

<p>workforce as a result of changes already happening at FP</p> <p>Reduced staff base can enable a clearer picture of the most essential and financially viable tasks we need to accomplish- could result in a streamlined and more effective service.</p> <p>Specialism in one area? Personal development or redundancy?</p> <p>Inclusive/supportive jobclub?</p> <p>Develop offer of short accredited courses that fill the gap in city wide provision- eg confidence, assertive, budgeting, redundancy counselling</p> <p>Link with other agencies around the IAG agenda to promote the importance of IAG in the customer journey</p> <p>Closer working with other similar CYC agencies</p> <p>Closer working with Union learning fund as industrial relations will assume more importance within public sector in the immediate future</p> <p>Chance to reinvent ourselves!</p> <p>Opportunity to present performance data as return on investment</p> <p>Opportunity to be a key player within the local authority's remit</p> <p>Opportunity to re define who our customer base needs to be</p>	<p>current contracting arrangements</p> <p>Low unit costs squeezing the value from service and reducing employee capital</p> <p>Unclear public policy landscape in terms of details of impending reform</p> <p>Overloading of staff leads to disengagement and staff will leave</p> <p>Loss of footfall from enrolment service being terminated.</p> <p>We will lose our identity in the city if we only deliver 'projects'- and can limit our range of engagement with those excluded.</p> <p>Lack of capacity impacting on performance</p> <p>Infrastructure costs are high despite restructure and cost saving actions within FP</p> <p>In current public sector reform and cuts landscape FP may be viewed as a ' nice to have' but not essential</p> <p>Hardest to reach present the biggest funding challenges as they are harder to get outcomes for in a pay by results model that was designed before the recession.</p> <p>Other agencies as competition- many similar agencies are diversifying into training also due to lack of 'pure' IAG funding</p> <p>Delivering the service in such a structured way can reduce our reputation as being truly customer led.</p> <p>People of influence not understanding our economic impact- getting jobs perceived as JCP service that somebody else can pay for</p>
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