

Jobs Guarantee – Phase One

Guidance for Preparing Financial Models for Applications

February 2026

Guidance

1. This supplementary guidance is to aid Grant Applicants in the preparation of Financial Models, to support their application to deliver Phase One of the Jobs Guarantee. The Financial Model should be used to inform an Applicant's response to question 10.1 (Value for Money) on the grant application form and should be attached separately.
2. Financial Models should be developed from the monthly schedule of expected participants as outlined in an Applicant's Delivery Plan and the Delivery Organisation per participant cost as per 6.1 of the grant application form. Financial Models will determine Delivery Organisation costs and associated payments, based on this schedule.
3. Delivery Organisation Costs will be paid at the start of the quarter, based on the agreed Delivery Plan and Financial Model. Delivery Organisations will need to provide evidence of actual spend as a part of Monthly Reports (as per Section 3 of the Grant Guidance and as outlined in the Grant Funding agreement). Monthly Reports will be assessed at Quarterly Reviews as outlined in Section 3 of the Grant Guidance. Financial models should provide expected costs that are aligned with Delivery Plans to ensure that evidence of actual spend can be easily demonstrated against expected costs and activities in that quarter.
4. As outlined in the Section 5 of the Grant Funding Agreement, there are two acceptable ways to present the Financial Model, based on either:
 - a. The number of young people referred and participating in the scheme (participants) in each quarter.
 - b. An even quarterly allocation of the total Delivery Organisation Cost.
5. Under both approaches resources should be used in line with requirements and eligible expenditure outlined in Grant Guidance and the Grant Funding Agreement. The use of resources should be effective and linked directly to outcomes for young people, see Schedule 4 of the Grant Funding Agreement for more detail on expected outcomes.
6. Where need is demonstrated in Delivery Plans, up to 20% of the Total Delivery Organisation Cost can be paid in advance (with the Q1 payment) to support with set up costs. This advance will be deducted proportionality from each quarterly payment, and Financial Models should reflect this.
7. We anticipate that Applicants' Delivery Plans will propose a ramping up and then down of participants over the Funding Period, and therefore would expect Financial Models to account for varied expected spend across the four quarterly payments. Where this is the case Financial Models should be formulated to align with the number of young people participating in the scheme after referral as demonstrated in **Annex A/B**.
8. Delivery organisations can propose a flat profile of referrals that would result in equal quarterly payments, but they must demonstrate that this approach will align with expected profile of referrals and activities that will be funded as outlined in their Delivery Plan. This would be expected to be as outlined in **Annex C**.
9. There are several calculations required to support the drafting of financial models, all calculations should be made using the proposed per participant cost provide in response to question 6.1 of the Application Form. The key calculations are:

- a. **Monthly per participant cost:** *per participant cost (as per 6.1 of the grant application form) ÷ expected months participants are on the scheme (including in funded employment)*
- b. **Monthly Delivery Organisation cost:** *monthly per participant cost x number of participants on the scheme in a given month*
- c. **Quarterly Delivery Organisation Cost:** *Sum of relevant monthly costs for the quarter*
- d. **Total Delivery Organisation Cost/Payment:** *Sum of Quarterly Costs, should be equal to per participant cost x number of referrals/participants. These anticipated costs would be the basis of quarterly payment.*

And where an advance is requested:

- e. **Advance Delivery Organisation funding, 'Advance':** *Total Delivery Organisation Cost x %requested to be paid in advance (up to 20% of Total Delivery Organisation Cost)*
- f. **Proportion of Advance to be deducted from relevant quarter:** *(Quarterly Delivery Organisation Cost ÷ Total Delivery Organisation Cost) x Advance*
- g. **Adjusted Delivery Organisation Quarterly Cost:** *Quarterly Delivery Organisation Cost – Proportion of Advance to be deducted from quarter*
- h. **Total Delivery Organisation Cost/Payment:** *Sum of Quarterly Costs, this should be equal to per participant cost x number of referrals/participants. These anticipated costs would be the basis of quarterly payment.*

10. Further relevant calculations can be found in Section 4 of the Grant Guidance.

11. The examples given below are **illustrative examples**, financial models must be aligned to an applicant's delivery plan, and will therefore, vary from the below. For the purpose of these examples and to illustrate how funding is matched to participants on the scheme, our examples only show costs to April 2027. However, the Funding Period for the Jobs Guarantee will run to July 2027. This is to allow for any eligible expenditure made following the last participant finishing their Funded Employment to be reimbursed. Final payments for any costs incurred towards the end of the scheme will then be made by the end of July 2027.

Assumptions used in examples

- Examples A and B assume 200 referrals between April 2026 and October 2026.
- Example C assumes 300 referrals between April 2026 and October 2026.
- In all examples, once referred to the scheme it is assumed participants are supported on the scheme and/or in funded employment for 6 months within the month they are referred.
- In all examples, calculations are based on the maximum per participant Delivery Organisation cost of £2650 per participant.

Annex A: Gradual profile of young people referred to Jobs Guarantee (200 referrals) with no upfront cost claimed.

1. Where referrals are not profiled equally, quarterly payments should be aligned with numbers of participants or funded employees. This example distributes per participant spend over six months, however, depending on an applicant's delivery plan, spend could be distributed over a longer period, to allow time for pre-employment support to be delivered.
2. Monthly delivery organisation costs can be calculated by multiplying the per participant monthly cost by the number of young people who are on the scheme in each month. Quarterly amounts consolidate the monthly costs for that quarter into one payment.
3. This example assumes referrals will ramp up, as the delivery organisations sets up their provision.

	Quarter 1			Quarter 2			Quarter 3			Quarter 4			April 2027	Totals
	April 2026	May 2026	June 2026	July 2026	Aug 2026	Sept 2026	Oct 2026	Nov 2026	Dec 2026	Jan 2027	Feb 2027	Mar 2027		
Number of referrals	0	10	20	30	40	50	50	0	0	0	0	0	0	200
Number participating in scheme	0	10	30	60	100	150	200	190	170	140	100	50	0	
Monthly Delivery Organisation Cost	£0	£4,417	£13,250	£26,500	£44,167	£66,250	£88,333	£83,917	£75,083	£61,833	£44,167	£22,083	£0	£530,000
Quarterly Delivery Organisation Cost (and Payment)	£17,667			£136,917			£247,333			£128,083				£530,000

Example calculations

Monthly Per Participant Cost = £2,650/6 = £441.67

Monthly Delivery Organisation Cost = E.g. July Calc: £441.67 x 60 = £26,500

Delivery Organisation Quarterly Cost = E.g. Q2 Calc: (July; £26,500) + (August; 100 x 441.67) + (September; 150 x £441.67) = £136,917

Total Delivery Organisation Cost = Q1; £17,667 + Q2; £136,917 + Q3; £247,333 + Q4; £128,083 = £530,000

This is equal to Total Delivery Organisation Cost calculated by; referrals x per participant cost = 200 x £2650 = £530,000

Annex B: Gradual profile of young people referred to Jobs Guarantee, with Upfront Payment (200 referrals)

1. Where an upfront payment is made and quarterly payments are to be adjusted.
2. This can be calculated by using the per participant monthly cost to calculate the monthly cost of delivering the scheme, which will be consolidated into adjusted quarterly payments. This should be adjusted proportionally to payments in each quarter.

	Quarter 1			Quarter 2			Quarter 3			Quarter 4			Total
	April 2026	May 2026	June 2026	July 2026	Aug 2026	Sept 2026	Oct 2026	Nov 2026	Dec 2026	Jan 2027	Feb 2027	Mar 2027	
Number of referrals	0	10	20	30	40	50	50	0	0	0	0	0	200
Number participating in scheme	0	10	30	60	100	150	200	190	170	140	100	50	0
Monthly Delivery Organisation Costs	£0	£4,417	£13,250	£26,500	£44,167	£66,250	£88,333	£83,917	£75,083	£61,833	£44,167	£22,083	£0
Quarterly Delivery Organisation Costs	£17,667			£136,917			£247,333			£128,083			£530,000
15% Advance Payment	£79,500			-			-			-			£79,500
Proportion of Advance to be deducted from Quarterly Cost	£2,650			£20,538			£37,100			£19,212			£79,500
Adjusted Quarterly Delivery Organisation Cost	£15,017			£116,379			£210,233			£108,871			£450,500
Quarterly Delivery Organisation Payment	£94,517			£116,379			£210,233			£108,871			£530,000

Example calculations for Annex B

See Per Participant and Monthly Delivery Organisation Costs calculations in Annex A above

Quarterly Delivery Organisation Cost = E.g. Q1 Calc = April + May + June = £0 + £4,417 + £13,150 = £17,667

Upfront payment (15% requested) = £530,000 x 15% = £79,500

Proportion of Advance to be deducted from relevant quarter;

E.g. Q1 Calc = (£17,667 ÷ £530,000) x £79,500 = £2,650

E.g. Q3 Calc = (£247,333 ÷ £530,000) x £79,500 = £37,100

Adjusted Quarterly Delivery Organisation Cost (minus a proportion of Advance payment);

E.g. Q1 Calc = £17,667 - £2,650 = £15,017

E.g. Q3 Calc = £247,333 - £37,199 = £210,233

Delivery Organisation Quarterly Payment = E.g. Q1, where advanced paid in Q1 with adjusted Q1 cost = £79,500 + £15,017 = £94,517

Annex C: Consistent number of young people referred each month to Jobs Guarantee (300 referrals)

1. In this approach the Total Delivery Organisation Cost is divided equally between the four quarters of delivery. To do so, it is assumed all referrals take place in Q1 and Q2, with a consistent number of referrals each month. In this scenario 50% of the per participant cost would be paid in the month referral occurs and 50% six months later (at the end of participation in the scheme) to ensure a consistent level of funding. For example, April referrals have 50% of their cost paid in April 2026 and the remaining 50% in October 2026.
2. Any agreed upfront payment will be deducted equally from each quarter as per the above examples.
3. Delivery organisations will still be required to provide information detailing actual spend each month to support quarterly reviews which will be used to agree the release of further funding.

	Quarter 1			Quarter 2			Quarter 3			Quarter 4			Total
	April 2026	May 2026	June 2026	July 2026	Aug 2026	Sept 2026	Oct 2026	Nov 2026	Dec 2026	Jan 2027	Feb 2027	Mar 2027	
Participant starts	50	50	50	50	50	50	0	0	0	0	0	0	300
Participant ends	0	0	0	0	0	0	50	50	50	50	50	50	300
Monthly Delivery Organisation cost	£66,250	£66,250	£66,250	£66,250	£66,250	£66,250	£66,250	£66,250	£66,250	£66,250	£66,250	£66,250	£795,000
Quarterly Delivery Organisation Cost (Payment)	£198,750			£198,750			£198,750			£198,750			£795,000

Example calculations

Per Participant funding at Start / End = Per participant cost ÷ 2 = £2,650 ÷ 2 = £1,325

Monthly Delivery Organisation cost = Per participation funding x (Monthly participant starts + Monthly participant ends); E.g. April = £1,325 x (50+0) = £66,250

Delivery Organisation Quarterly payment = Sum of months in quarter; E.g. Q1 = £66,250 + £66,250 + £66,250 = £198,750

Total Delivery Organisation cost = Sum of quarters; £198,750 + £198,750 + £198,750 + £198,750 = £795,000

N.B. This should be equal to the number of referrals in this example times the maximum funding per participant: 300 (number of referrals) x £2,650 (funding per participant) = £795,000