

URN: 20-147

Subject: Kickstart Programme – Options Review

Report to: Economic Development Committee, 26th October 2020

Report by: Michelle Burdett, Head of Inward Investment

SUBJECT MATTER / RECOMMENDATIONS

Kickstart is a core Government scheme to mitigate employment risk for young people (16 – 24 years old). It was soft launched 2nd September and is effectively live now. This report presents to Officers and Members the background to the Kickstart programme and options to consider leading a consortium on behalf of the Borough's businesses.

Members are asked to:

- 1) Review and comment on the Kickstart scheme, with a view to recommending the first option – to work with the Chamber of Commerce as the lead gateway and seek to promote the scheme across the Borough**

1. BACKGROUND AND CONTEXT

- 1 The Kickstart Scheme is a national government £2 billion scheme to create hundreds of thousands of high quality 6-month work placements for young people aged 16-24, who are claiming Universal Credit. It was launched on the 8th July after the Chancellor announced the *Kickstart Scheme* as part of the Plan for Jobs.

- 1.1 Businesses of all sizes looking to create quality jobs for young people can apply to create new 6-month job placements for young people who are currently on Universal Credit and at risk of long-term unemployment. The job placements should support the participants to develop the skills and experience they need to find work after completing the scheme.

2 PROGRAMME DETAILS

- 2.1 Known details include:

- Government provides a wage subsidy to cover National Minimum Wage and national insurance for a minimum of 25 hours a week for 6 months, which is around £6,500 for the 6 months
- Employees are eligible if they are either on Universal Credit or at risk of being long-term unemployed
- Employers who can take 30+ staff can engage directly with the scheme
- Employers who can take <30 need to work through a representative 'gateway' organisation

- Companies apply to the scheme for approval first (with details of jobs and support being provided) and if successful receive a funding agreement and then they can start advertising to applicants
- Scheme approval is effectively an eligibility test on the basis of: is the role new / not replacing existing, and are they providing sufficient wider employability support
- Approved intermediaries / companies will share Job Descriptions with DWP, who take responsibility for sourcing possible candidates based on employers' requirements and available talent
- Companies interview to make final hiring decision
- A £1,500 grant is paid to the employer per employee to support setup costs, support, training and wrap around employability support to assist the placement to gain employment following the placement
- **A £300 fee per placement is available to representative organisations**
- DWP may make periodic assessments, including how far employability support is being provided

3 INTERMEDIARY GATEWAY BODIES

- 3.1** Employers who can take on 30+ staff on their own can engage directly with the scheme, however, employers who can not take on that many (< 30) need to work through a representative 'gateway' organisation. Until very recently it was understood that only LEPs and Chambers of Commerce could act as a gateway body, however recent changes has meant that Local Authorities can also act as a gateway. It is known that Breckland and North Norfolk are considering becoming a gateway body, whereas South Norfolk and Broadland have already registered and are listed on the gov.uk website. Others already registered in Norfolk are;
- Norfolk County Council
 - Norfolk Chamber of Commerce
 - East Coast College
- 3.2** Resource implications for acting as a gateway body seem reasonably significant, an employer needs to gather all information for submission (including JD's, eligibility tests, act as accountable body including holding of and transferring funding and ensuring compliance). Should officers / members be minded to act as an gateway body and could source a minimum of 30 placements the Council would stand to make £9,000 as part of the above admin fee. This could be used to source a short term placement in the Economic Growth team to be able to administer the scheme and ensure compliance as part of the accountable body responsibilities.
- 3.3** Should it not be possible to bring together 30 new placements in the Borough, it would be possible to join forces with another Local Authority or Gateway organisation. As laid out below both the Chamber of Commerce and East Coast College have expressed an interest in potentially working together.
- 3.4** In addition to the above, further discussion has taken place with the Chamber of Commerce who have been bringing together placements and have already submitted one 30+ cohort. They have proposed that given the resources required to act as accountable body, they would be happy to manage the placements from Great Yarmouth on our behalf and promote in conjunction with the Councils Economic Growth Team.

4 OPTIONS REVIEW

4.1 There are two options

- Promote the scheme and direct to an already existing gateway partner

This would be the simplest route to take, particularly as the scheme is still new its difficult to fully ascertain what the issues and gaps might be. Discussions have already taken place with Norfolk Chamber of Commerce and East Coast College who have both agreed to work in partnership if members agree this as the chosen option. The Chamber in particular have noted that the wrap around care for businesses and placements is considerable and have fully developed systems to support this process already in place.

This is the recommended option.

- Sign up as a gateway as a Council

The Council could seek to promote the scheme and attempt to bring together a cohort of 30+ places and should this be possible, the Council could seek to apply as an intermediary. This is certainly viable, and whilst there are potential resource constraints, the £9000 minimum would go some way to assist with the costs to administer the scheme, support the placement wrap around care required as part of the scheme and set up the oversight and application systems. Should the Council not be able to find 30 places, officers could direct the businesses to another local intermediary, such as East Coast College or Norfolk Chamber of Commerce, though previous work in setting up the scheme in this circumstance would be abortive. As such, this is not the chosen option.

5 FINANCIAL IMPLICATIONS

- 5.1 As stated above, the costs are officer time to promote, administer and monitor the scheme which would be compensated by the £9000 (minimum) generated from the £300 per placement. As the scheme is new its difficult to ascertain as to whether this would be sufficient, given the administration requirements stated above (see section 3.2), Officers / Members might consider recruiting into a short term post to cover the set up and oversight of the scheme.

6 RISK IMPLICATIONS

- 6.1 The biggest risk is the unknown in terms of the officer time required to oversee the facilitation resource of acting as an intermediary. The £9000 would assist with this resource strain, but may not be sufficient.

7 SUMMARY

- 7.1 Kickstart is a core Government scheme to mitigate employment risk for young people (16 – 24 years old). It was soft launched 2nd September and is effectively live now. This report presents to Officers and Members the background to the Kickstart programme and options to consider leading a consortium on behalf of the Borough's businesses.

Officers / Members are asked to:

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Area for consideration	Comment
Monitoring Officer Consultation:	As part of ELT review.

Section 151 Officer Consultation:	As part of ELT review.
Existing Council Policies:	Economic Growth Strategy, Pathway to Recovery Plan
Financial Implications:	As outlined in the report
Legal Implications (including human rights):	Potential implication as required as intermediary body
Risk Implications:	As identified in report
Equality Issues/EQIA:	None
Crime & Disorder:	None
Every Child Matters:	N/A