



ADUR & WORTHING
COUNCILS

Joint Strategic Committee
6 October 2020
Agenda Item 6

Key Decision: No

Ward(s) Affected: All

Providing a brighter future - supporting the Kickstart scheme

Report by the Director for the Economy

Executive Summary

1. Purpose

- 1.1. To inform elected members on the government's Kickstart Scheme, including the intended outcomes and the mechanisms of delivery.
- 1.2. To set out Adur & Worthing Councils' strong commitment to supporting young people through Kickstart, and highlight options for involvement.
- 1.3. To seek support for the proposed approach to supporting the Kickstart scheme.

2. Recommendations

It is recommended that the Joint Strategic Committee:

- 2.1. Note the approach proposed for the Councils to be ready to become a Kickstart gateway for partner organisations and / or businesses.

- 2.2. Confirm support for the Councils seeking to host a number of Kickstart placements over the duration of the scheme period.

3. Context

- 3.1. The Kickstart Scheme is a £2 billion fund to create hundreds of thousands of high quality work placements for young people. It was announced on the 8th July after the Chancellor announced the Kickstart Scheme as part of the Plan for Jobs.
- 3.2. The national scheme provides 6 month work placements (25 hours per week) for young people aged 16 - 24 yrs who are already on Universal Credit and are therefore at risk of long term unemployment.
- 3.3. Through the latest information provided by partner organisations, we know there are currently over 1,300 young people in this situation across Adur and Worthing. We also know the 16 - 24yrs age group have been one of the hardest hit as a result of the coronavirus pandemic.
- 3.4. The Kickstart scheme will run for 18 months. Placements can start anytime between November 2020 to the end of December 2021. If a placement begins in December 2021 the placement would run 6 months thereafter.
- 3.5. The placements cannot be used to fill vacancies, cause an existing employee to leave or replace redundancies. It will instead give young people superciliary roles, which provide opportunities to learn and develop. The job placements should support the participants to develop the skills and experience they need to find work after completing the scheme (e.g. support with CV and interview preparations).
- 3.6. The intention is for young people to either enter employment (with the host organisation or elsewhere) or go into further training at the end of the placement. Therefore, this scheme has the potential to assist with workforce planning for the Councils as well as partner organisations and businesses that sign up as an employer.

- 3.7. Kickstart is not an apprenticeship, but participants may move on to an apprenticeship at any time during, or after their job placement.
- 3.8. The Job Help website, powered by Job Centre Plus, is the key interface for young people who are eligible for this scheme, and would like to access these opportunities. A Job Centre work coach will support young people to enrol on the scheme and connect with employers.
- 3.9. To become part of the scheme, employers can apply at www.gov.uk/kickstart. Applications must be for a minimum of 30 work placements; if employers are unable to meet this then employers need to partner together to fulfil the quota. Once the application is accepted this will be sent to the local Job Centre for the recruitment phase to start. Employers are still expected to interview candidates and select the best candidate for the role.
- 3.10. This scheme supports our 'And Then' ambitions to ensure access to employment and skills support is available to help people find new jobs. This also directly delivers against the wider ambitions contained in Platforms for our Places, specifically our Good Work agenda, which focuses on combining our products and services to deliver effective interventions around employment and skills. This includes key employability skills for young people, including retraining and reskilling, therefore a robust alignment with the Kickstart scheme.

4. Issues for consideration

- 4.1. The recommendation is for the Councils to investigate finding at least 30 placements over the 18 month period, either internally or with partner organisations. If the placements can't be identified in-house then the Councils will explore acting as a Kickstart gateway for partner organisations and / or businesses.
- 4.2. Being a Kickstart gateway entails taking on the reporting responsibilities for the partner organisations and / or businesses and the allocation of funding for each trainee placement, this includes taking the responsibility of passporting the young person's salary costs. The status as a Kickstart gateway can be applied for at any time.

- 4.3. Each placement comes with £1,500 of funding to support the individual to get the most from the placement, as well as overall set up costs. If progress is made, the intention is to pool this funding and utilise it to employ a scheme coordinator who would provide support to the placements. This allows additional resources to assist to administer the scheme and ensure the young people receive a quality experience, meeting the overall aims of the programme.
- 4.4. In addition to the Councils approach, a number of other organisations have actively put themselves forward as a Kickstart gateway, all of which will serve the business community. For Adur and Worthing businesses, the route to being part of this scheme, and to be part of a larger cohort, will be through organisations such as Sussex Chamber of Commerce, Greater Brighton Metropolitan College and Chichester College Group. There are also sector specific groups available.
- 4.5. The Councils are actively signposting businesses to these Kickstart gateway organisations to ensure as many organisations are part of the scheme, therefore a greater chance of our young people establishing a local placement.
- 4.6. Given those who have already stepped forward to become an Kickstart gateway, the Councils best contribution would be through becoming a Kickstart gateway for our partner organisations (those we have developed a close working relationship with), such as Citizens' Advice, Guildcare etc. The Councils will actively signpost employers to other gateway organisations.
- 4.7. The balanced approach outlined in 4.6, enables the Councils to further understand aspects of the Kickstart scheme as it emerges, including the administrative and resource implications to deliver a robust experience. This includes the need to investigate the recruitment of a coordinator to administer the scheme.

5. Engagement and Communication

- 5.1. The Councils have been in active dialogue with Kickstart gateway organisations to ensure enough provision exists to cater for a range of employers wishing to access the scheme. Furthermore, sector specific organisations are also available if employers wish to choose this route.

- 5.2. The scheme has been discussed at a number of business forums, including the Worthing & Adur Chamber of Commerce and Adur & Worthing Business Partnership, and interested employers (that can't reach the minimum of 30 employees) have been actively encouraged to register their interest with Kickstart gateway organisations.
- 5.3. The Councils are analysing a combination of in-house and partner organisation placements. An in-house review is underway to establish the numbers of young people the Council, directly, could employ within the scheme period. Communication and materials about the scheme have been provided to internal colleagues to assess required roles and tasks.
- 5.4. For partner organisations, conversations have taken place with Guildcare, Worthing Homes and Community Works to gauge appetite and establish a possible working relationship as the Councils acting as the Kickstart gateway. Early dialogue has highlighted that none of these organisations are currently intending to act as a gateway themselves and that they will need to find an intermediary body to enable them to take on Kickstart placements.
- 5.5. Further conversations are scheduled with other key partners, such as Worthing Theatres & Museum and Citizens' Advice to assess whether the Councils could also act as a gateway for these organisations.
- 5.6. The Kickstart scheme has been discussed with the Good Work Network. A stakeholder group, led by the Councils, that brings together employment and skills specialists in the private, public and third sector to discuss, design and improve coordination of interventions for the benefit of the end user. This group is vital in ensuring the coordination of schemes such as Kickstart.

6. Financial Implications

- 6.1. The scheme is largely funded by central government, therefore there is minimal financial risk to the Councils, or partner organisations. For each placement the following costs would be provided:
 - 100% of the relevant National Minimum wage for 25 hours per week
 - Associated employer National Insurance contributions

- Employer minimum automatic enrolment contributions (3% contribution)

6.2. The employer also receives a one off payment of £1,500 per successful placement to assist with setup costs, support and training. If the Councils were to act as a Kickstart gateway, a further £300 of funding for each job placement is available to support with associated costs of administering the scheme.

6.3. Each young person that is potentially employed by the Council will be auto-enrolled into the Council's pension fund. If they remain in the pension scheme, the Council will have to fund a proportion of the associated pension costs. The Council's current employers pension contribution rate is 20.1% which exceeds the 3% pension funding allowed. Consequently, the Council will have to fund a small element of the costs associated with the employment of a Kickstart employee as follows:

Age	Minimum wage per hour £	Pension cost (20.1%) £	Government contribution (3%) £	Cost to the Council £	Cost per week (25 hour week) £	Cost of a 6 month placement £
Under 18	4.55	0.91	0.14	0.77	19.25	500.50
18 - 20	6.45	1.30	0.19	1.11	27.75	721.50
21 - 24	8.20	1.65	0.25	1.40	35.00	910.00

These costs will be funded from any residual Kickstart payment or funded from within the Council's existing budgets.

6.4. The setup costs will only be provided when the young person/s has started their placement, is enrolled onto payroll, has been paid and is included within the monthly returns to HMRC. DWP will use information from HMRC to check that the young person/s is still employed, and the grant will be paid in arrears to the Councils. The Council would be reimbursed for salary costs in arrears. The salary costs for the placements will be issued in months 2, 4 and 6.

6.5. Depending on the level of demand, and assessing appropriate resourcing levels, the Councils may look to recruit a scheme coordinator to assist in the delivery of the scheme. The cost of this role

would be met through the £1,500 payment received for each Kickstart trainee role after funding other costs.

7. Legal Implications

- 7.1. Section 112 Local Government Act 1972 empowers the Councils to appoint such Officers as it thinks necessary for the proper discharge by the authority of such of their functions as falls to be discharged by them.
- 7.2. Job placements created with Kickstart funding must be new jobs and cannot replace existing or planned vacancies or cause existing employees to lose or reduce their employment. Redundancy of an existing postholder due to a Kickstart trainee placement would amount to an unfair dismissal.
- 7.3. A kickstart trainee would become a temporary fixed term employee for the duration of the placement, with an employment contract of at least 25 hours per week for 6 months. They would be entitled to the usual employment rights set out in the Employment Rights Act 1996 as amended, and their contract of employment would incorporate the Council's standard terms and conditions of employment.
- 7.4. Should the Council decide to act as a kickstart gateway, a contractual agreement between the Councils and the partner organisations would be required. However, it is anticipated that the employment contract would remain between the partner organisation and the young person.

Background Papers

- [Kickstart Scheme opens for employers - GOV.UK \(press release\)](#)
- [Kickstart Employer Guide - GOV.UK](#)

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Sustainability & Risk Assessment

1. Economic

- The Kickstart scheme is in direct response to the coronavirus pandemic and the requirement to support young people back into employment. Supporting this scheme means additional people will be brought back into employment, supporting the wider local economy.
- In addition to the young person/s benefits, there are additional advantages to our partner organisations and / or businesses as further job roles may provide greater resilience, allowing these organisations to survive and thrive.

2. Social

2.1 Social Value

- This scheme will directly support and help our 16 - 24 yrs age group, as they are the direct recipients of this initiative. This cohort is one of the key groups that have been affected by the pandemic; this scheme provides a real opportunity for people in this age group to step into the experience of the workplace, in readiness for more sustained job prospects.

2.2 Equality Issues

- As part of this programme there will be a focus on inclusive recruitment methods with those that benefit from this work and addressing inequalities

2.3 Community Safety Issues (Section 17)

- The scheme will actively promote safety and wellbeing of our young people.

2.4 Human Rights Issues

- Matter considered and no issues identified.

3. Environmental

- Matter considered and no issues identified.

4. Governance

- The Councils participation in the Kickstart scheme, supports the ambitions contained in Platforms for our Places and And Then. The delivery will support a number of employment and skills initiatives, including the need to support youth employment.

- The Councils are willing to act as a Kickstart gateway, therefore having the ability to assist and work with partner organisations and / or businesses to establish these placements.
- There is a possible requirement for the Councils to act as an intermediary body, therefore this will carry the need to administer the scheme on behalf of partner organisations. The resourcing of the administration will be dependent on the level of demand.