

## **Title of report: To accept and approve the gateway delivery of the Kickstart scheme, providing work experience placements to 16 to 24 year olds**

**Decision maker: Cabinet member environment, economy and skills**

**Director of Economy and Place**

**Head of Economic Development, Economy and Place, Post 16 senior advisor, OD Business Partner**

**Decision date: Thursday, 4 February 2021**

**Report by: Head of Economic Development, Economy and Place, Post 16 senior advisor, OD Business Partner**

### **Classification**

Open

### **Decision type**

Key

This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.

This is a key decision because it is likely to be significant having regard to: the strategic nature of the decision; and / or whether the outcome will have an impact, for better or worse, on the amenity of the community or quality of service provided by the authority to a significant number of people living or working in the locality (two or more wards) affected.

Notice has been served in accordance with Part 3, Section 11 (Cases of Special Urgency) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) Regulations 2012.

## **Wards affected**

(All Wards);

## **Purpose**

To gain approval to accept grant funding offered by the Department of Work and Pensions (DWP).

The council has successfully applied to DWP to be a gateway organisation for the delivery of the Kickstart scheme across Herefordshire. As part of the Covid 19 recovery programme, the Kickstart scheme funds 6 monthly work experience placements for 16 to 24 year olds receiving universal credit.

An urgent decision is required to accept and implement this scheme to meet the DWP deadline to accept the grant by 4 February 2021 as part of the Covid 19 response.

## **Recommendation(s)**

**That:**

- a) The council accepts the grant funding offered by the Department of Work and Pensions of up to £986,124 for the implementation of the Kickstart Scheme.**
- b) The cabinet member for Environment, Economy and Skills approves the approach to delivering the Kickstart scheme, with the council operating as a gateway.**
- c) The Chief Finance Officer be authorised to sign on behalf of the council the funding offer letter (appendix A) from the Department for Work and Pensions, and following consultation with the cabinet member for Environment, Economy and Skills, any subsequent variations such as any increase to the number of approved placements.**
- d) To delegate to the Director for Economy and Place, following consultation with the cabinet member for Environment, Economy and Skills and the S151 Officer, the ability to make any operational decisions required to ensure the successful delivery of the scheme.**

## **Alternative options**

1. Do nothing – the council could decide not to accept the funding to deliver the Kickstart scheme. However, this would mean the large number of 16 to 24 year olds on universal credit in the county (circa 850 as of December 2020) would be unable to access this support.

## Key considerations

2. In September 2020 as part of their Covid 19 response the government launched the Kickstart scheme which funds 16-24 year olds receiving universal credit to participate on a job placement for a minimum of 25 hours per week for 6 months, paid at least national minimum wage.
3. Across the UK younger generations have been some of those worst affected economically by the pandemic. In Herefordshire there has been a 108% increase in people aged between 18 and 24 claiming out of work benefits since March 2020.
4. The Kickstart scheme fully meets the salary and on costs for each placement, as well as providing £1,500 towards supporting the individual with skills and wrap around support during their placement. It therefore provides those 16 to 24 year olds on universal credit an opportunity to gain valuable work experience and develop employability skills, as well as providing employers new opportunities.
5. However, at the time of launch of the scheme (September 2020) only employers that could commit to creating 30 or more placements were able to apply to DWP directly. Those who could not create a minimum of 30 placements are able together with a 'gateway' employer. Therefore, in October 2020 the council applied to the scheme to both directly offer placements (20 initially to be offered within the council and 10 within Hoople Limited (Hoople)), as well as to be a 'gateway' on behalf of other local employers who stated they are interested in participating in the scheme but cannot offer more than 30 placements themselves. In January 2021 government changed the requirements of the scheme, where a minimum of 30 placements is no longer required to directly apply to DWP. Therefore, employers now have a choice to either access Kickstart through a gateway employer or apply directly to DWP.
6. At the end of December 2020 DWP approved the council's gateway application, issuing a funding offer letter (Appendix A) to support 105 placements in 22 of the organisations that have offered placements to date (including the council and Hoople). It is anticipated that the number of placements may increase, once selected as a 'gateway' it is possible to request funding for additional placements as they become available up until end of December 2021.
7. It is intended that Hoople would lead the delivery of the scheme on behalf of the council. The Hoople board have agreed to this subject to council's agreement to accept the grant funding offered. Each employer receiving funds for placements must sign up to the DWP's Employer Agreement (Appendix A).
8. As a gateway employer the council/ Hoople will:
  - Ensure employer agreements are understood and signed in good time, collecting information about placements.
  - Ensure grants payments are passed to employers in a timely manner.

- Ensure grants are not misused or claimed fraudulently, monitoring employers throughout the scheme and reporting to the DWP if required.
  - Ensure the training grant element is used to provide support and wrap around support for participants.
  - Provide on-boarding and support to employers that the council/Hoople work with.
  - Provide support to participants at the end of their placement to find future employment.
9. Gateway employers will be paid £300 for administrative costs per placement opportunity (except for their own internal placements). Hoople will utilise the administrative funding to manage and monitor the implementation of the scheme with the employers, ensuring the conditions of the scheme are fully met.
10. Hoople will also offer employers a range of additional support services that they could choose to purchase utilising some of the £1,500 allocated for each placement for wrap around support, such as coaching, mentoring, work skills including supporting job applications, CV writing and interview skills.
11. As identified in the funding offer letter (appendix A) the terms of the funding offer are as follows;

*‘Your responsibilities as a Gateway will include:*

- 1. Gathering relevant information from Employers about the Kickstart Scheme jobs they provide.*
- 2. Passing on to the Employers the relevant payments we make to you as soon as possible and in any event within a maximum of five (5) Working Days of receiving payment from us.*
- 3. Sharing your expertise with Employers to help them onboard and offer employability support to young people employed through the Kickstart Scheme.*
- 4. Providing help directly to young people employed through the Kickstart Scheme with developing the skills and experience to find work after completing the Scheme.*
- 5. Ensuring funding payments claimed by Employers are valid and properly incurred and recovering any amounts wrongly paid.*

*You and your Employers will use the Grant to carry out the following activities:*

- 1. Funding will be used to create six-month, meaningful jobs for young people, aged 16-24, who are claiming Universal Credit and referred to you and/or your Employers by us for employment opportunities (**Participants**).*
- 2. Funding can only be used by you and your Employers to employ Participants in new jobs. The jobs must not:*
  - replace existing or planned vacancies; and/or*
  - cause existing employees, apprentices or contractors to lose work or reduce their working hours.*
- 3. All jobs supported by Grant funding must:*
  - be for a minimum of 25 hours a week, for six months; and*
  - pay at least the National Minimum Wage/National Living Wage (as applicable) for the Participant's age group and national insurance and minimum automatic enrolment contributions.*
- 4. You and your Employers will help Participants to develop their skills and experience to find work with you, one of your Employers or another employer after completing the Kickstart Scheme.*

*Provided Grant funding is only used for Funded Activities, you and your Employers have the control and flexibility to decide how best to help the Participants you are supporting.'*

## **Community impact**

12. Kickstart will support 16 to 24 year olds in Herefordshire who are in receipt of universal credit with access to 6 month work experience placements with employers. The grant provides 100% of the funding required to pay a salary of national minimum wage and on costs, and £1,500 for the individual to access skills and wrap around support.
13. Covid 19 has had a significant impact on the Herefordshire economy, with younger generations being some of the worst affected. There has been a 108% increase in 18 to 24 year olds claiming out of work benefits since March 2020. Following the first national lockdown period there was a peak of 24,000 people on furlough through the job retention scheme in August 2020. Whilst this has since reduced the current national lockdown is likely to see a significant rise again in those who are furloughed and potentially at greater risk of losing their employment. It could mean that younger people out of work (claiming universal credit) could experience significant difficulty in finding employment opportunities during the Covid 19 recovery phase.
14. The Kickstart scheme will therefore provide 16 to 24 year old members of the community with access to opportunities to gain critical work experience and employability skills to enable them to seek longer term employment in the future. The scheme is open to all 16 to 24 year olds currently receiving universal credit.

15. Successfully applying for this grant supports a central objective of the council's corporate delivery plan where a stated aim is to help people most impacted by the pandemic (jobs/business/young people) to feel safe and supported during this challenging period. It also underpins a key commitment made by the council to work with partners to expand our focus on those at risk of long term unemployment, and young people at risk of not being in education, training or employment

## **Environmental Impact**

16. The Kickstart scheme will provide grant support to employers to provide work experience placements for 16 to 24 year olds for 6 month periods. As such the grants will have limited direct benefit in terms of environmental impacts, such as carbon emissions reduction.
17. However, the implementation of the scheme will wherever possible seek to minimise any adverse environmental impact. For example grant payments will be made via Bankers Automated Clearing Scheme (BACS), and all forms and documents will be electronic.
18. Through implementing Kickstart the council and Hoople will also look at opportunities to support for those on placements through other services, for example an e-bike scheme to assist people to get to and from their place of work.

## **Equality duty**

19. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to –

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
  - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
  - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
20. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services.
  21. The eligibility of the scheme has been defined by government to support some of those worst effected economically by Covid 19. The Kickstart scheme is equally open to any 16 to 24 year old receiving universal credit living anywhere in Herefordshire. In

accordance with Kickstart guidance, initially DWP will seek candidates from those 16 to 24 year olds in receipt of universal credit. Thereafter, each employer will select a candidate (from those put forward by DWP) for each placement in accordance with their own recruitment and selection processes. For the council and Hoople based placements, we will offer guaranteed interviews to disadvantaged groups such as looked after children, care leavers, and disabled people.

## Resource implications

22. DWP have approved 105 placements in 22 organisations up to a maximum grant of up to £7,648.80 per participant (Appendix A), and a further £1,500 per placement for wrap around support. The amount of grant per person may vary as national minimum wage varies with the age of the person on the placement.
23. In addition to the grant, for those placements in third party employers (85 of those approved to date), an admin payment of £300 per placement will be paid. Hoople have agreed to deliver the scheme on behalf of the council.

<b>Revenue Income</b>	<b>2020/21</b>	<b>2021/22</b>	<b>Future Years</b>	<b>Total</b>
Grant per placement of up to £7,648.80 from DWP	£000	£803,124	£000	£803,124
Training and Wrap Around Support	£000	£157,500	£000	£157,500
Admin contribution to gateway costs for non-council placements (£300 per placement) from DWP	£000	£25,500	£000	£25,500
<b>TOTAL</b>		<b>£986,124</b>		<b>£986,124</b>

<b>Revenue Expenditure</b>	<b>2020/21</b>	<b>2021/22</b>	<b>Future Years</b>	<b>Total</b>
Kickstart Scheme Implementation		£986,124		£986,124
<b>TOTAL</b>		<b>£986,124</b>		<b>£986,124</b>

## **Legal implications**

24. This grant has been awarded by the Secretary of State for Work and Pensions to the council in accordance with section 2 of the Education and Training Act 1973 which permits the Secretary of State for Work and Pensions to “make such arrangements as he considers appropriate for the purpose of assisting persons to select, train for, obtain and retain employment suitable for their ages and capacities”.
25. The council is able to accept the offered grant monies and act as a gateway employer under section 1 of the Localism Act 2011 which permits the council to do anything that an individual can do which would include accepting a grant and distributing it to other organisations
26. The Kickstart Grant Offer Letter, the Kickstart grant terms and conditions has been reviewed by Legal Services and are not considered to be unusual or onerous. As a gateway employer on receipt of the grant the council will need to put in place agreements with all the employers identified in the Grant Offer Letter. The form of employer agreement to be entered into is attached to the Grant Offer letter. The employer agreement will pass the obligations on the council in relation to delivering the outcomes of the Kickstart grant scheme on to those employers.

## **Risk management**

27. The following are the primary risks in delivering the project;

Risk / opportunity	Mitigation
Failure to find people to take up the placements.	DWP lead on the seeking of people interested in the proposed placements from those in receipt of universal credit. The number of eligible people fluctuates but there are circa 850 (as of December 2020) people aged 16 to 24 in the county currently in receipt of universal credit.
Failure from employers to meet the requirements of the scheme, leading to potential clawback of funding.	Each employer will be required to sign up to the employers agreement (Appendix A) requiring them to meet the requirements of the scheme. Hoople will work with employers to ensure they are aware and meet the requirements of the scheme. Should any employer fail to meet these requirements, funding would be recovered from the employer.
The employer or the person on placement wishes to terminate their placement mid way through the 6 month period.	Each placement is subject to the employers' terms and conditions, policies and procedures. It would be for the employer and the person on placement to resolve any HR related issues through their existing policies and procedures.

## Consultees

28. The political groups have been consulted in advance of this decision being taken. No comments have been received.

## Appendices

Appendix A – Kickstart Funding Offer Letter from DWP.

## Background papers

None identified

**Please include a glossary of terms, abbreviations and acronyms used in this report.**