

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

Decision maker: Cabinet member environment, economy and skills

Decision date: Wednesday, 19 May 2021

Report by: Head of economic development

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.

Notice has been served in accordance with Part 3, Section 10 (General Exception) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) Regulations 2012.

Wards affected

(All Wards);

Purpose

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

DWP require the council to return the acceptance of the additional funding offer by 21 May 2021.

Recommendation(s)

That:

- a) **The council accepts additional grant funding offered by the Department of Work and Pensions of up to £2 million for the continued implementation of the Kickstart Scheme.**
- b) **The Chief Finance Officer be authorised to sign on behalf of the council the funding offer addendum (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.**
- c) **To delegate to the Director for Economy and Place, following consultation with the cabinet member for Environment, Economy and Skills and the S151 Officer, 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 that it would not be possible to offer the additional placements to 16 to 24 year olds on universal credit in the county (circa 895 as of March 2021) and they would not be able to access this support.

Key considerations

2. In September 2020 as part of their Covid 19 response the government launched the Kickstart scheme which provides funds for 16-24 year olds on Universal Credit to participate in a job placement for a minimum of 25hrs per week for 6 months, paid at least national minimum wage.
3. The council successfully applied to DWP to be a gateway organisation in October 2020, providing a route for both the council and local employers to participate in the scheme. A Cabinet Member decision was taken on 4 February 2021 to accept and deliver up to £986,124 of support through the scheme: [Decision - To accept and approve the gateway](#)

[delivery of the Kickstart scheme, providing work experience placements to 16 to 24 year olds - Herefordshire Council.](#)

4. Since becoming a gateway, the council has continued to receive a high level of interest from local employers keen to participate through offering additional placements to local people. DWP have to date approved additional grant funding for a further 78 placements, with further requests from local employers to be put forward to DWP in the next few weeks.
5. Across the UK younger generations have been some of those worst affected economically by the COVID-19 pandemic. In Herefordshire there has been a 127% in people claiming unemployment benefits since March 2020, including a 118% increase in the 18 to 24 year old age category.
6. In February 2021 (latest available figures) there were 11,400 people in Herefordshire on furlough through the Job Retention Scheme, with a risk that unemployment levels could further increase as this scheme comes to an end in September 2021 (subject to how the economy recovers in this period).
7. Therefore, the council is now seeking a decision to accept and deliver additional Kickstart funding up to a total value of £2m.
8. Hoople will continue to lead the delivery of the scheme on behalf of the council.

Community impact

9. The Kickstart scheme supports 16 to 24 year olds in Herefordshire who are in receipt of universal credit with access to 6 month work experience placements (minimum 25 hours per week) 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.
10. Covid 19 has had a significant impact on the Herefordshire economy, with younger generations being some of the worst affected. As mentioned above, there has been a 118% increase in 18 to 24 year olds claiming out of work benefits since March 2020.
11. The additional Kickstart grant funding will therefore provide more 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.
12. 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

13. The Kickstart scheme provides 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.
14. 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.
15. Through implementing Kickstart the council and Hoople have and will continue to 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

16. 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.
17. 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.
 18. 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, care leavers, and those with special educational needs and disabilities.

Resource implications

19. DWP have approved an additional 78 placements to date up to a maximum grant of up to £7,648.80 per participant, 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. In addition to the grant, an admin payment of £300 per placement will be paid. Hoople have agreed to deliver the scheme on behalf of the council.
20. The council continues to receive offers of placements from local employers and it is anticipated that additional placements will be approved by DWP in the coming weeks. As such, the decision seeks approval to accept additional grant funding of up to £2 million in total.

Revenue Income	2020/21	2021/22	Future Years	Total
DWP Kickstart Grant Funding	£0	£2,000,000	£0	£2,000,000
TOTAL		£2,000,000		£2,000,000

Revenue Expenditure	2020/21	2021/22	Future Years	Total
Kickstart Scheme Implementation		£2,000,000		£2,000,000
TOTAL		£2,000,000		£2,000,000

Legal implications

21. The original grant allocation and this additional 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”.

22. The council is able to accept the offered additional grant monies and to continue to 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
23. The Kickstart Grant Offer Letter, the Kickstart grant terms and conditions and the grant addendum has been reviewed by Legal Services and are not considered to contain any unusual or onerous conditions. 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 Letters. 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

24. 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 all proposed placements (including the additional approved placements subject to this decision) from those in receipt of universal credit. The number of eligible people fluctuates but there are circa 895 (as of March 2021) 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 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

25. The political groups have been consulted in advance of this decision being taken. Comment received supporting the proposed decision and delivery of Kickstart to additional people received from Cllr Stark. No other comments received.

Appendices

Appendix A – Kickstart Contractual Addendum

Background papers

None identified

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