



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2021-22

FINANCE AND PERFORMANCE
SCRUTINY COMMITTEE

DATE: 2nd February 2022

REPORT OF THE DIRECTOR, PUBLIC
HEALTH AND PROTECTION, AND
COMMUNITY SERVICES

Agenda Item No.5

**UPDATE ON THE KICKSTART
PROGRAMME**

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1. PURPOSE OF THE REPORT

1.1.1 The purpose of the report is to provide an update to Members of the Finance and Performance Scrutiny Committee on the Department of Work and Pensions' (DWP) Kickstart Scheme for young people aged 16-24 years. This includes providing an outline of the role and responsibilities of the Council as a Gateway body that supports local businesses to access the programme; and providing some information on the number of Kickstart apprentices offered opportunities within Council services.

2. RECOMMENDATIONS

It is recommended that Members:

2.1 Note the content of the report;

2.2 Consider whether they wish to scrutinise in greater depth any further matters.

3. BACKGROUND

Young People

- 3.1 The Kickstart Scheme was designed to address the needs of young people aged 16-24 years old who are claiming Universal Credit and are at risk of long—term unemployment. It was anticipated that it would create thousands of new jobs for young people in Wales and across the UK.
- 3.2 The UK government are fully funding each 'Kickstart' job, paying 100% of the age-relevant National Minimum Wage, National Insurance and pension contributions for 25 hours a week for 6 months.
- 3.3 The jobs are giving young people an opportunity to build their skills in the workplace and to gain experience that will enable them to improve their chances of getting longer-term employment.
- 3.4 DWP data showed that in August 2020 there were 4,333 young people claiming Universal Credit in Rhondda Cynon Taf compared with 2,344 in February 2020. Therefore, there was a need to provide more opportunities for work experience, skills development, and employment for this age group.

Employers

- 3.5 In addition to the funding referred to at 3.2 above, employers receive £1,500 to provide support, training and other set up costs for a person on a Kickstart placement.
- 3.6 Employers of all sizes were eligible to apply for Kickstart placements with no upper limit to the number of vacancies that can be offered. The vacancies had to be new vacancies and not replace existing or planned redundancies; or cause existing employees, apprentices, or contractors to lose their employment or have their employment reduced.
- 3.7 Employers offering fewer than 30 placements were required to make a bid for funding through an intermediary (known as a Gateway Body) who then applied for 30 or more placements as a combined bid. Local Authorities were specifically referred to in the government's promotional materials as potential intermediaries.

Responsibilities of a Gateway Body

- 3.8 The responsibilities are as follows:
 - gather information about the job placements that employers want to offer
 - use this information to submit an online application on behalf of a group of employers
 - pass on relevant payments from the DWP onto each employer
 - if required, share expertise with employers to help induct and train young people employed through the scheme for example supporting those with particular disadvantages, or provide employability support directly to young people employed through the scheme.

3.9 Gateway bodies must have:

- experience of managing partnership agreements with third parties
- robust financial and governance processes to manage the application.

3.10 Gateway bodies are paid a one-off payment of £360 on the commencement of each Kickstart placement. A charge may also be made in agreement with an employer for the provision of training/support (wrap around support) if they are unable to provide the necessary training themselves or do not have a provider who can provide this (£1,500 is provided to each employer for this purpose).

3.11 The Council was approved as a Gateway Body in January 2021. Other organisations that were approved by DWP as Gateway Bodies in the County Borough included:

- Passport to Employment Ltd
- Highfield HR
- Elite Supported Employment
- WCVA
- Bridgend College.

4. **OVERVIEW OF PROVISION**

4.1 The role of the Council in relation to the Kickstart scheme has been two-fold:

- providing support to local employers/businesses with fewer than 30 vacancies to apply for funding under the programme
- providing Kickstart placements within the Council for young people who want to develop their skills and experience in the workplace

4.2 A cross-services team of officers were involved in initial development and implementation of the scheme with senior officers from Education, Employment and Training (EET), Community Development, Employment Services, Finance, Human Resources (HR) and Regeneration represented at the discussions.

4.3 An internal Employment group consisting of staff members from each of the above services and chaired by the Service Director for Community Services receive regular updates on progress of the scheme's delivery.

4.4 HR's Employment, Education and Training team lead on the applications in relation to Kickstart placements within the Council due to their expertise and success in supporting young people from a range of backgrounds through the traineeship, apprenticeship, and graduate schemes. The Employer Liaison team that straddles Employment Services lead on applications as a Gateway body due to the combination of business knowledge and the employability training and support available within the team.

4.5 A robust process was developed in partnership with Finance who have supported the incoming and outgoing grant payments to employers on behalf of the Council in its role as a Gateway body.

- 4.6 After the Council was approved as a Gateway body, further work was then undertaken with interested employers to get the required documentation and procedures in place and the first tranche of placements were uploaded with DWP in April 2021.
- 4.7 During this initial 3-month period DWP continued to develop guidance for the scheme, which resulted in some employers being deemed ineligible to apply for funding. These included: sole traders and business who had been operating for less than 2 years with published accounts.
- 4.8 Funding for the Council acting as the Gateway body and for the employers has been paid by DWP in instalments as and when each individual work placement vacancy is filled.
- 4.9 The process from application for funding to work placement opportunities going live with DWP has taken on average around eight-weeks. Live job placements have then been advertised via Jobcentre Plus (JCP) work coaches to eligible young people on Universal Credit benefit.
- 4.10 Weekly meetings were set up between DWP to promote live vacancies to those young people on our employment support programmes. To date 83 young people on our Communities for Work, Communities for Work Plus and Inspire2Work programmes have found employment through the Kickstart scheme.
- 4.11 Employer Liaison Officers have attended mini job fairs in JCP offices on a regular basis to promote the work placements on offer to young people across the County Borough and provided them with weekly drop-in sessions to give advice and training on interview skills and techniques.
- 4.12 The scheme closed to new funding applications in December 2021, however, young people are still able to apply and take up a work placement opportunity until the end of March 2022. Those placements will then run for a six-month period so final closure date will be September 2022.
- 4.13 As a Gateway body the Council was successful in applying for funding for 84 employers in RCT, offering in total 273 work placement opportunities, 43 of which are currently vacant. Only 5 employers were not approved for funding by DWP following due diligence procedures. Appendix A indicates the Kickstart work placement sector and number of opportunities provided to young people by external employers who have been supported by the Council as a Gateway Body.
- 4.14 In addition to the above the Council were also successful in applying for funding for 41 work placement opportunities to be offered to young people within the Council. Appendix B indicates the Council Services and the number of job placements that have been offered and filled to date.
- 4.15 Some case study examples have been included in Appendix C which outline the support given to young people through our CfW and CfW+ mentoring programmes along with feedback from an employer who was supported to access funding through the scheme.

- 4.16 More recent DWP data shows that at the end of December 2021 the number of young people claiming Universal Credit in RCT has decreased to 3,980. This decrease can be attributed to a number of factors, but it is likely that the Kickstart scheme has made a contribution to this.

5. NEXT STEPS

- 5.1 As yet no future scheme has been announced so it is proposed that support be offered through our current employment support grant funded programmes to those young people leaving the scheme looking for alternative employment.
- 5.2 We will continue to develop relationships with employers built up during the scheme to encourage future work placement opportunities (albeit unpaid if no future scheme is announced) which could benefit young people and adults on our current mentoring programmes.
- 5.3 We will consider and prepare for making applications as and when future funding opportunities become available.

6. CONSULTATION/INVOLVEMENT

- 6.1 No external consultation exercise has been required. However relevant internal Council services have been consulted.

7. FINANCIAL IMPLICATION(S)

- 7.1 A fee of £360 per successful placement has been provided to the Council acting as the Gateway Body and will be used to cover costs for administration of the scheme.
- 7.2 It was anticipated that small businesses wishing to apply for the scheme might have difficulties providing the relevant training for some young people. In such circumstances the Council's Employment Services team were able to provide support and a level of charges were developed to cover incurred costs only and offered to businesses at application stage.
- 7.3 Thirty-three businesses took up the offer of the Council to provide wrap around support for the work placement opportunities, income to date totals £10,137.00.
- 7.4 The Council as an employer has benefitted from the scheme by applying for funding to employ young people on Kickstart placements. The Council do not receive the one-off payment of £360 for these placements, however, salaries are fully funded for the 6-month placement and services will benefit from the £1,500 payment towards set-up costs and wrap around support provided by the EET team.

8. CONCLUSION

- 8.1 The Kickstart Scheme has offered opportunities to the Council as an employer to provide fully funded work placements for young people aged 16-24 years old, and also offered

an opportunity for the Council to support small and medium sized employers across the county who needed a Gateway Body to enable them to access the scheme.

- 8.2 Young people in RCT who are claiming Universal Credit and are at risk of longer-term unemployment have had the opportunity to really benefit from this scheme which has provided quality paid work experience and the opportunity to secure longer-term employment.
- 8.3 The scheme has also been a welcome development for local employers striving to overcome the ongoing impact of Covid-19 and it is hoped that the relationships built with local employers and our Employment Services teams continue to provide future work placement and job opportunities.