

NORTH LINCOLNSHIRE COUNCIL

CABINET

KICKSTART SCHEME

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To seek support from Cabinet to become a Kickstart Gateway.
- 1.2 To update Cabinet on the scheme and the benefits for businesses and young people in North Lincolnshire.

2. BACKGROUND INFORMATION

- 2.1 Launched on 8 July as part of the Chancellor's Plan for Jobs, the government has introduced a new Kickstart Scheme, a £2 billion fund to create hundreds of thousands of high quality 6-month work placements aimed at those aged 16 to 24 who are on Universal Credit and are deemed to be 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.
- 2.2 Funding for each job placement will cover:
 - 100% of the relevant National Minimum Wage for 25 hours
 - the associated employer National Insurance contributions
 - employer minimum automatic enrolment contributions

For each placement, Kickstart employers will also receive a £1500 initial payment for set up costs and employability support.

The job placements created with Kickstart funding must be new jobs. They **must not**:

- Replace existing or planned vacancies
- Cause existing employees or contractors to lose or reduce their employment

The roles must be:

- A minimum of 25 hours per week, for 6 months
- Paid at least the National Minimum Wage for their age group should not require people to undertake extensive training before they begin the job placement

- A support package around future employability skills is required giving the young person the tools to gain further employment on completion of the placement

A Kickstart Scheme application must be for a minimum of 30 job placements. If a single employer cannot provide this many job placements, they can find a Kickstart gateway, such as a local authority, charity or trade body for help applying.

3. OPTIONS FOR CONSIDERATION

- 3.1 North Lincolnshire council is looking to make an application to the Kickstart Scheme as a Kickstart Gateway to enable small firms who are unable to offer 30 placements the opportunity to participate in the scheme and grow their business and support our North Lincolnshire young people.

4. ANALYSIS OF OPTIONS

- 4.1 North Lincolnshire currently has a high claimant count for the 18-24 year olds. It has been consistently higher than regional and national claimant rates.
- 4.2 The Kickstart programme will support young people currently claiming out of work benefits to access employment with training.
- 4.3 The Council will look to utilise the kickstart programme to support employment opportunities for young people, in addition, we will make an application to the Kickstart scheme as a Kickstart Gateway to enable small firms who are unable to offer 30 placements the opportunity to participate in the scheme and grow their business and support our North Lincolnshire young people. As a Kickstart Gateway, the council will receive £300 per external job placement to cover administration costs, and will be responsible for administering and paying the wages and costs to employers on a monthly basis, plus the £1500 set up costs to employers.
- 4.4 In conjunction with AECL, we will also offer an 'Employability Support Package' to those employers not able to provide their own employability support to participants, for which we will retain £300 of their £1500 set-up payment.
- 4.5 We are also asking our own Departments if they can offer a placement to a local young person to enable them to experience the world of work and support the start of their employment journey.
- 4.6 The Kickstart scheme application is being prepared for external placements on behalf of employers and internal placements. We have received we have received EOI's from 43 which equates to 63 jobs, for the first application we will be progressing a total of 44 jobs.

4.7 We will submit our application in early December for January placement starts. Further applications can be made for starts until December 2021 if the required 30 placements are requested.

5. FINANCIAL AND OTHER RESOURCE IMPLICATIONS (e.g. LEGAL, HR, PROPERTY, IT, COMMUNICATIONS etc.)

5.1 The council will receive £300 per external job placement and an additional £300 of the setup payment for the wrap around employability support.

5.2 The scheme will be administered by the Economic Development Team. It is essential that the council has in place robust programme management and financial processes and procedures. It will require the processing of a large number of additional financial transactions on a monthly basis, together with the requisite systems to perform the necessary checks and balances associated with these transactions. It is proposed that the £300 per job placement is utilised to provide additional capacity where required.

The delivery of the scheme will require resources to be drawn from across the council including finance, audit and HR. Significant input is also required by AECL to deliver the employability support package.

5.3 In terms of the council's own internal placements, staffing implications arise from the likely need to provide additional management time for supervision and support than would normally be required for new starters. There are also the usual IT and financial implication associated with IT hardware and software requirements, other equipment and PPE for example.

6. OTHER RELEVANT IMPLICATIONS (e.g. CRIME AND DISORDER, EQUALITIES, COUNCIL PLAN, ENVIRONMENTAL, RISK etc.)

6.1 As per the Kickstart Scheme Grant Funding Agreement Terms and Conditions for Gateways, there are some risks to the council in becoming a Gateway organisation.

6.2 The Terms and Conditions make it clear that it is incumbent upon the gateway to make some checks regarding the compliance of the employers with the grant agreement. It will also be the responsibility of the council, as Gateway to reclaim any grant monies paid to employers if it is deemed they have not acted in accordance with the attached Terms and Conditions.

6.3 Specifically, the terms and conditions stipulate that "The Grant Recipient will be the sole recipient of the Grant. The Grant Recipient shall be responsible for managing the Grant as between itself and the Employers involved in performing the Funded Activities.

6.4 This includes securing the re-payment of the Grant if requested by DWP in accordance with this Grant Agreement. Onward payment of the Grant to

Employers does not relieve the Grant Recipient of its obligations under this Grant Agreement”

7. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)

7.1 An impact assessment will be undertaken once the Council has been approved as a Kickstart Gateway.

8. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED

8.1 Consultation and engagement has taken place with businesses across North Lincolnshire.

9. RECOMMENDATIONS

9.1 That Cabinet supports the submission of the application to government and supports the delivery of the programme.

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Background Papers used in the preparation of this report –

Kickstart Briefing note.