



# Delegated Decision Report

22 September 2020

**Subject: Kickstart Scheme**

**Report of: Head of Inclusive Growth**

**Decision maker: Head of Paid Service**

**Portfolio: Employability and Inclusion**

## Report Summary

This report provides an overview of the national Kickstart scheme and an opportunity for NTCA to play a leading role in the shaping of this scheme to ensure we can maximise support to benefit our young people and local organisations.

Reason for it being a delegated decision: The NTCA on 30 March 2020 published a report which detailed its response to the Covid-19 pandemic. The recommendations in the report were agreed by the Interim Head of Paid Service on behalf of the NTCA under the urgent decision procedures. One of the recommendations was to authorise the Chief Finance Officer, Monitoring Officer and Executive Directors to “take such other steps as are necessary to give effect to the proposals in this report”. The decision outlined in this report forms part of the work to support people back into work rapidly after the virus outbreak – with action co-ordinated with the North East LEP, skills providers, the Department for Work and Pensions, the Department for Education and employers as detailed in paragraph 4.2.6 of the March report.

## Recommendations

The Head of Paid Service, in consultation with the Portfolio Lead for Employability and Inclusion is recommended to:

- Approve the decision for NTCA to apply to become a Kickstart Representative; engage with organisations to identify the initial 30 placements required to start off the application process (paragraph 1.7) and then submit the application to DWP.

### 1. Background Information, Proposals and Timetable for Implementation

1.1 Since the announcement of the Chancellor’s ‘Plan for Jobs’ (8 July 2020) NTCA has been in regular contact with DWP, DfE and MHCLG to understand the detail behind the plans and next steps for devolved areas and local authorities. Much of that detail is now beginning to emerge and this paper focusses on the Kickstart and Youth Hub elements of the plan and the opportunities for NTCA to play a leading role in shaping these programmes, to ensure NTCA can maximise the opportunities presented to benefit our young people and businesses, and in support of a rapid recovery from the Covid crisis.

#### NTCA DWP Framework Agreement

1.2 NTCA and DWP discussions regarding Kickstart have been within the context of the NTCA DWP Framework Agreement. The Framework Agreement will enable us to drive the better coordination of employment, skills and health services across the North of Tyne area in order to increase the number of residents moving into work. Collaboration, innovation and

co-design are at the heart of the Agreement and set the scene for the proposed approaches detailed below.

### **Greater Collaboration**

- 1.3 The development of the NTCA DWP Framework Agreement, Kickstart and Youth Hubs provide an opportunity for NTCA to further advance our relationship with the three constituent Local Authorities. There is an expectation that delivery of these interventions will be collaborative to work together on an optimal approach to resourcing.

### **Kickstart Scheme**

- 1.4 Details of the Kickstart scheme were made public on 2nd September 2020. Principles of the scheme include:

- Employers can use the Kickstart Scheme to create new 6-month job placements for young people who are currently on Universal Credit and at risk of long-term; unemployment. The job placements will support the young employees to develop the skills and experience they need to find work after completing the scheme.
- Employers will go through a bidding process for a minimum of 30 jobs;
- For each person placed in a Kickstart role Government will pay the employer the salary (£6.5k/national minimum wage for 6 months plus associated employer National Insurance contributions and employer minimum automatic enrolment contributions) and a grant for wrap around support (£1.5k);
- The salary will be paid direct to the business (if applied for more than 30 placements). The first payment will come at the end of month 2 (3rd of salary), month 4 (3rd of salary) and month 6 (final 3rd);
- £1.5k fund for support is offered to support each placement and can be spent in any way the employer chooses but must be detailed in the bid. This could include payment for equipment, training and/or uniform etc;
- The first placements on Kickstart are expected to commence in November 2020.

### **Kickstart Representative Role**

- 1.5 To enable and encourage SME's to access the scheme, employers unable to offer 30 jobs can apply to the scheme through a Representative, such as trade bodies, charities, similar employers, Local Enterprise Partnerships, Local Authorities or Mayoral Combined Authorities.
- 1.6 Representatives will undertake a diverse role but importantly will reach out to local employers and certain sectors to encourage participation in the scheme, especially from SME's. The Representative will review and ensure any proposed job placements are eligible for the Scheme, and submit the application for funding on the employers behalf and will process the payments. The Representative can also provide administrative and wraparound support to SMEs who do not have established HR functions.

### **Application Process**

- 1.7 The proposed Representative needs to have a minimum of 30 job placements from a group of employers before applying to DWP, including details of the job placements proposed by the group of employers; details of their business and information about the support they plan to offer the young people.

- 1.8 DWP will carry out an assessment of the suitability of representatives and the assessment is based on the following criteria:
- experience of managing partnership agreements with third parties;
  - robust financial and governance processes to manage the application.

### **Proposal**

- 1.9 It is proposed that NTCA apply to undertake the role of Kickstart Representative for the following reasons:
- NTCA can provide a strategic overview and use its convening power to ensure that enough Kickstart placements are available in our area and that they are in sectors with actual job vacancies and are of quality in line with the expectations of the NTCA Good Work Pledge.
  - The added value of NTCA being the employer Representative will be that it can provide economies of scale in terms of providing marketing and communications and the administration of the scheme.
  - NTCA as the employer Representative could provide access to vital investment funds and existing grant funding, such as European Social Fund (ESF) and Adult Education Budget (AEB) to add value to the core offer from government, in support of a coordinated approach to a wraparound offer.

### **Timetable for Implementation**

- 1.10 The anticipated timetable applying for the Kickstart Representative Role is set out below – subject to receiving Delegated Decision Approval:
- Begin engagement with businesses to ascertain demand for the North of Tyne Representative role in Kickstart: w/c 21/9
  - Communications Plan to be developed: w/c 21/9
  - Project plan to be developed to include governance arrangements, risk register, financial monitoring arrangements and quality control mechanisms. w/c 21/9/2020
  - Submit Representative role application to DWP, including details of the employers and roles NTCA will represent. Focussed on NTCA Key sectors and the Good Work Pledge expectations: w/c 5/10

## **2. Potential Impact on Objectives**

- 2.1 The Kickstart Scheme supports the NTCA pillar ‘Hotbed of talent’ empowering our people with the skills and resources they need to take ownership of their futures and secure good jobs with fair wages. NTCA want everyone to have the opportunity to thrive, with access to good employment and progression. Supporting the availability of good quality, well paid work, whilst providing the right support for people to access these jobs and further training, is crucial to our economic and social success.

## **3. Key Risks**

- 3.1 Assuming the role of Kickstart Representative will pose some risks to the organisation including:
- Displacement: employers using Kickstart placements instead of offering permanent job opportunities, apprenticeships or roles to older workers;
  - A lack of ‘good’ quality placements being offered, only serving to delay unemployment for some young people;

- A lack of demand from employers to create placements due to economic uncertainty as a result of Covid19;
- Local lockdowns leading to reduced economic activity and reduced creation of Kickstart placements;

3.2 To mitigate these risks a comprehensive risk register is being produced to support the implementation of the Kickstart Scheme and the risks associated with the Representative Role.

#### **4. Financial and Other Resources Implications**

4.1 The Kickstart Scheme will be demand led, employers offering placements and young people wanting to engage and a Representative will receive an administrative payment of £300 per placement.

#### **5. Legal Implications**

5.1 The comments of the Monitoring Officer have been incorporated in this report.

#### **6. Equalities Implications**

6.1 As required by Section 149 of the Equality Act 2010, the Combined Authority has considered its obligations regarding the Public Sector Equality Duty and there will be no anticipated negative impact on groups with protected characteristics from these proposals.

6.2 In addition, NTCA will encourage all organisations we work with to be mindful of our commitment to equalities and direct them to guidance provided by the Equalities and Human Rights Commission. <https://www.equalityhumanrights.com/en/advice-and-guidance/guidance-businesses>.

#### **7. Inclusive Economy Implications**

7.1 The Combined Authority believes that the Kickstart Scheme will positively contribute to creating a more inclusive economy in the North of Tyne with specific positive impact on addressing inequalities in skills and qualifications across the area.

7.2 Our aspiration is to provide all young people with good job opportunities, to build their skills in and out of the workplace and to allow them gain to experience that will improve their chances of going on to find long-term sustainable work. Assuming the role of Kickstart Representative will allow NTCA to monitor the placements that are available in our area and that they are in sectors will actual job vacancies and are of quality in line with the expectations of the Good Work Pledge.

#### **8. Climate Change Implications**

8.1 The Combined Authority has considered the implications relating to climate change in decisions regarding the delivery of the Kickstart Scheme and believe there will be no negative impact as a result.

#### **9. Consultation and Engagement**

9.1 Consultation has taken place with colleagues from DWP, constituent Local Authorities, other MCA's and NELEP. NTCA officers will continue to meet regularly with these key stakeholders to ensure a co-ordinated approach to meeting employer demand for the Kickstart Scheme.

9.2 NTCA will continue to work collaboratively with national strategic partners and local stakeholders to align the additional devolved AEB with other funding streams and activity to ensure it complements, rather than duplicates the wider learning experiences and opportunities aimed at supporting our residents to progress in learning and to move towards or into productive and sustained employment.

**8. Appendices**

8.1 None

**9. Background Papers**

9.1 None

**10. Contact Officers**

10.1 Leigh Mills, Head of Inclusive Growth  
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**11. Glossary**

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AEB	Adult Education Budget
DfE	Department for Education
DWP	Department of Woks and Pensions
ESF	European Social Fund
JCP	Job Centre Plus
MCAAs	Mayoral Combined Authorities
MHCLG	Ministry of Housing, Communities and Local Government
NTCA	North of Tyne Combined Authority

**Sign-off**

1) Mayor and Portfolio holder: Yes	2) Director/SMT: Yes	3) Chief Finance Officer: Yes	4) Monitoring Officer: Yes	5) Head of Paid Service: Yes
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