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## Report Summary

The purpose of this report is to provide an overview of the proposal to scale up Kickstart Programme delivery including a request of £146,250 to deliver project activity, to come from the Inclusive Economy Innovation Fund investment plan workstream.

In July 2020 the Chancellor announced a 'Plan for Jobs' a three-phase national approach to secure the UK's economic recovery from coronavirus. The national Kickstart Scheme provides funding to create new job placements for 16 to 24-year olds on Universal Credit.

At the meeting on 29 September 2020, NTCA Cabinet set out an ambition for NTCA to mobilise Kickstart on behalf of our constituent authorities, working with employers to create good quality placements in line with the expectations of the NTCA Good Work Pledge. Ensuring both the young person and the employer gain a positive experience from Kickstart is fundamental to our approach. This report brings forward two proposals for funding to support the scale-up of the of Kickstart Scheme across North of Tyne and complement our existing quality assurance activities.

Reason for delegated decision:

Cabinet at its meeting on 29<sup>th</sup> September 2020 agreed to authorise the Interim Head of Paid Service, in consultation with Investment Panel and the Portfolio Holder for Employability and Inclusion to consider business cases for funding in relation to Kickstart and Youth Hubs referenced above and to finalise any funding awards.

## Recommendations

The Interim Head of Paid Service, in consultation with the Cabinet Member for Employability and Inclusion is recommended to approve the proposal to scale up Kickstart delivery including a request of £146,250 to deliver project activity, to come from the Inclusive Economy Innovation Fund investment plan workstream.

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

- 1.1 The national Kickstart Scheme provides funding to create new job placements for 16 to 24-year olds on Universal Credit. Employers of all sizes can apply for funding which covers:
- 100% of the National Minimum Wage (or the National Living Wage depending on the age of the participant) for 25 hours per week for a total of 6 months
  - associated employer National Insurance contributions
  - employer minimum automatic enrolment contributions
  - To support the creation of the job placements each employer receives £1,500 funding per placement which must be spent on setup costs and supporting the young person to develop their employability skills.

- 1.2 The report 'Supporting Young People into Employment' was approved by Cabinet on 29th September 2020 and included the following recommendations in relation to the role of NTCA in the implementation of Kickstart across North of Tyne. Specifically, Cabinet agreed to:
- NTCA acting as a Kickstart Gateway organisation on behalf of our three constituent Local Authorities.
  - Up to £500,000 being allocated from the Inclusive Economy Innovation Fund budget to support the NTCA's role as a Gateway body for the Kickstart scheme.
  - Delegate authority to the Head of Paid Service, in consultation with Investment Panel and the Portfolio Holder for Employability and Inclusion, to consider business cases for funding in relation to Kickstart and to finalise any funding awards.

### **Investment Panel**

- 1.3 An initial report was submitted to Investment Panel in February 2021 providing an overview of NTCA's emerging approach to Kickstart. A further report was circulated for consideration by written procedures to Investment Panel which provided an overview of the proposals to scale up Kickstart delivery and summarised the outcome of the appraisal undertaken on the Kickstart business case which included a request of £146,250 to deliver project activity.

### **Current Kickstart Activity**

- 1.4 NTCA's Kickstart programme is now live with a cohort of placements agreed and young people starting in the roles we have created. Our delivery is iterative, and we are continuing to adjust our approach and processes in line with the evolving role of a Gateway, as set by Department for Work and Pensions (DWP). We are using our experience of delivery and feedback from stakeholders to inform our resourcing needs. In addition, we have undertaken some modelling to understand potential future resource requirements to ensure NTCA's Gateway is effectively resourced and able to play an active and scalable role in recovery. This activity has culminated in the approval of up to 106 placements through 23 employers. Many of these placements are now live and young people have been appointed to and are starting in their new roles.

### **Proposals to scale up Kickstart Proposals**

- 1.5 **Proposal 1:** Increase staff capacity for administration and delivery: There are a number of assumptions that we can make in relation to future delivery of Kickstart and in particular the additional staffing requirements – specifically as the number of Gateway applications we submit to DWP increases, the more internal capacity is required to deliver Kickstart up to point of 'peak capacity', the point at which placements commencing begin to be mitigated by placements ending.
- 1.6 Based on the number of employers we have currently engaged; a process mapping exercise has enabled us to estimate the number of hours which are required to support the Kickstart journey. Using this information and other assumptions we have developed a Kickstart Resource Model. This model identifies the anticipated flow of employers engaging with NTCA and informs our understanding of anticipated peak capacity requirements.
- 1.7 It is proposed to create 2 additional internal fixed term posts to support the end-to-end process of the Kickstart Programme, including employer engagement, programme support functions, communications, and ongoing monitoring/auditing to support to enable effective delivery of this DWP programme. One post is required immediately, with a second post to be appointed as demand increases. It is anticipated that by increasing internal capacity, especially increases our capacity to engage and support employers throughout the process will lead to the creation of good quality placements.
- 1.8 **Proposal 2:** Commission a service to provide an enhanced package of support for young people and employers: Our ambition for Kickstart is to ensure that that employers we engage with create good quality placements and to ensure that the young person gains a positive outcome from their placement. We want to provide an enhanced offer which will enable Kickstart opportunities created

through the NTCA Gateway to deliver a consistent and quality experience for the young person and employer. It is our intention to commission an organisation to design, launch and deliver the 'enhanced offer' based on their experience and knowledge of providing similar in work support to young people.

Elements of the 'enhanced offer' of support will be provided to both the employer and young person and will focus on:

- Building of effective relationships through regular interventions with young people and employers over the lifetime of the placement.
- Brokering and facilitating additional support that maybe required where issues and gaps arise.
- Gathering data and insights, which will inform the ongoing development of the Kickstart scheme.
- Digital support services to reduce interrupting to the young person and employers experience and maintain longer term post-placement engagement should the young person request it.
- Links to local provision with young people both during and post placement to ensure smooth handovers, customer service and successful employment post Kickstart.
- Reduce the risk of performance loss and disruption caused though young person possible early abandonment of opportunities by providing a mediation solution.

- 1.9 The proposed enhanced offer is in addition the £1,500 that the employer receives to provide wrap around support this the young person and is intrinsic to ensure we achieve our ambitions in terms of added value. The commissioned activity will allow NTCA as a Gateway to ensure that the employer is providing appropriate support.

### **Next Steps**

- 1.10 Subject to agreement, NTCA undertake a recruitment exercise to appoint programme officer(s) and will use an Open-Call to procure the enhanced support, providing the market with a fair and equal opportunity to apply. The Kickstart Project Management Group will continue to monitor and manage the delivery of Kickstart across North of Tyne.

## **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. We 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 Programme risks are managed in line with agreed processes and individual project risks have been considered as part of the Business Case and appraisal process

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

- 4.1 The total cost of the above the proposals is £146,250. This is within the available funding of £500,000 allocated by NTCA Cabinet to the Kickstart programme. The £146,250 of funding requested from the NTCA Investment fund is the maximum costs to NTCA for this activity.
- 4.2 As a Kickstart Gateway, NTCA will receive a £360 admin fee per placement commenced from DWP. This business case sets out an ambition to create up to 750 placements within the current Kickstart scheme. While this is based on sound assumptions in terms of the resources requested to deliver this scale of intervention by the NTCA – the reality of actual demand – both for placements and the willingness of young people to take them up is less certain. This will be significantly impacted by how COVID-19 lockdown restrictions are lifted

and any successive lockdowns.

- 4.3 Should NTCA deliver the scale of placements possible within the resource envelope requested in this business case, we would expect to achieve the target of 750 placements. However, a more realistic number is 450 and based on this we would expect up to £162,000 of funding in administration fees to be received from DWP to support the delivery of Kickstart.
- 4.4 On this basis we are seeking a maximum of £146,250 from the Investment Fund to support and scale up Kickstart. This amount will fund:
- The 'enhanced offer' enabling NTCA to procure this service, adding value to the delivery of Kickstart across North of Tyne; and
  - The costs associated with the second staffing post (if required). However once Kickstart achieves the minimum placement quota of 450 placements, these costs will be reimbursed to the Investment Fund from DWP Administration funding via the NTCA corporate budget.
- 4.5 The first post will be funded through the NTCA corporate budget using DWP 'administration' funds already received from DWP; this will allow the post to be advertised immediately. The DWP administration funding will also be used to recover costs associated with the additional work undertaken by several officers across NTCA to support the delivery of Kickstart.

## **5. Legal Implications**

- 5.1 The Interim Monitoring Officer's comments have been incorporated within 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.

## **7. Inclusive Economy Implications**

- 7.1 The Combined Authority believe the approach taken will positively contribute to creating a more inclusive economy in the North of Tyne with specific positive impact on addressing the needs of young people.
- 7.2 The increased staff capacity and project activity will be used to support the creation of more local work opportunities that target young people at risk of long-term unemployment whilst enabling employers' access to skills and resource to grow.
- 7.3 The Combined Authority will continue to monitor the impact of the Kickstart Scheme on the inclusive economy aspirations as part of all performance management processes.

## **8. Climate Change Implications**

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

## **9. Consultation and Engagement**

- 9.1 Local Authority stakeholders have been fully engaged in the development of the Kickstart Programme through a dedicated Kickstart Project Management Group which will continue to oversee the strategic delivery of Kickstart. In developing the proposal, NTCA has also held conversation with the North East Local Enterprise Partnership, DWP and several organisations who are acting as a Kickstart Gateway.

## 10. Background Papers

- 10.1 The report 'Supporting Young People into Employment' was approved by Cabinet on 29<sup>th</sup> September 2020

## 11. Contact Officers

Leigh Mills, Head of Inclusive Growth, [leigh.mills@northoftyne-ca.gov.uk](mailto:leigh.mills@northoftyne-ca.gov.uk) 07855 100179  
Ruth Gaul, Inclusive Growth Project Manager, [ruth.gaul@northoftyne-ca.gov.uk](mailto:ruth.gaul@northoftyne-ca.gov.uk)

## 12. Glossary

12.1

NTCA	North of Tyne Combined Authority
DWP	Department for Work and Pensions

## Sign-off

1) Portfolio holder: Yes	2) Director/SMT: Yes	3) Chief Finance Officer: Yes	4) Monitoring Officer: Yes
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