

<b>Report title</b>	Kickstart Work Experience Programme	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	Councillor Steve Simkins Cabinet Member for City Economy	
<b>Key decision</b>	Yes	
<b>In forward plan</b>	No	
<b>Wards affected</b>	All Wards	
<b>Accountable Director</b>	Richard Lawrence, Director of Regeneration	
<b>Originating service</b>	Regeneration	
<b>Accountable employee</b>	Sue Lindup Tel Email	Skills and Employability Manager 01902 550624/ 07766473146 Sue.lindup@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	Regeneration Leadership Team Strategic Executive Board	1 December 2020 1 December 2020

---

**Recommendations for decision:**

The Cabinet (Resources) Panel is recommended to:

1. Delegate authority to the Cabinet Member for City Economy, in consultation with Director of Regeneration to:
  - a) Approve the Council entering into the required grant agreement with the Department for Work and Pensions (DWP) for the Council to employ young people aged 16-24 years old at risk of long term unemployment on the Kickstart scheme.
  - b) Approve the Council entering into required grant agreements with DWP for the Council to act as a Gateway for businesses in the city to deliver Kickstart work experience placements to young people aged 16-24 years old.

- c) Approve payments of grants to employers who are approved as Kickstart work experience providers by DWP, funded from DWP grant.
- d) Approve reimbursement of Kickstart salaries to employers who participate in the scheme through a claims process agreed with DWP, funded from DWP grant.
- e) Approve the Council entering into back to back grant funding agreements with employers participating in the scheme.
- f) Approve the creation of the necessary supplementary budgets to deliver the scheme.

**Recommendations for noting:**

The Cabinet (Resources) Panel is asked to note:

1. That the delivery of support to employers and Kickstart participants will be provided through the Council's Enterprise and Skills teams, through Wolves at Work and Education Business Partnership as part of a traded service to employers.
2. The Council will be responsible for putting in place the appropriate financial management processes to reimburse Kickstart salaries for participants employed by employers approved for the Council Gateway.
3. The Council will be responsible for managing finance, audit and compliance requirements of the scheme in its role as a Gateway.
4. That approval will be sought in the Revenue Budget Monitoring 2020-2021 Report presented to Cabinet Resources Panel also at this meeting for the use of £98,000 over an 18 month period from the Recovery Reserve to fund a project team for the Kickstart Work Experience Programme.

## **1.0 Purpose**

- 1.1 To seek approvals to receive grants from DWP to deliver the Kickstart Work Experience programme to support unemployed young people aged 16-24 years.
- 1.2 To seek approvals to pay out grants to employers approved to deliver Kickstart Work Experience placements as part of the Council Gateway.

## **2.0 Background**

- 2.1 During the past few months, the Coronavirus pandemic has had a disproportionate impact on the lives of young people, which has directly resulted in an increase in youth unemployment. Wolverhampton currently has the third highest percentage of unemployment in England at 15.9% with a total of 3380 young people claiming benefits (NOMIS September 2020). This represents an increase of more than double since January 2020 with an increase of 1565 young people claiming benefits.
- 2.2 The Kickstart scheme is part of a package of measures announced by Government as part of the Jobs Support Plan to provide enhanced support to young people and employers as a result of the Pandemic. The programme is managed by DWP.
- 2.3 Kickstart provides funding to employers to create new six-month work placements for 16-24 year olds on Universal Credit, who are at risk of long term unemployment.
- 2.4 Upon approval of a Kickstart placement, the employer receives a financial grant of £1500 per placement.
- 2.5 Employers can also apply for funding to cover the following:
  - 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 six months.
  - Associated employer National Insurance contributions.
  - Employer minimum automatic enrolment contributions.
- 2.6 Employers are encouraged to sign up to the programme if they can provide 30+ work placements before December 2021. Employers can spread the start date of job placements up until the end of December with a completion date of all work placements by June 2022.
- 2.7 If an employer wishes to become involved in the programme but cannot provide 30+ work placements, they can sign up for support from a Gateway provider such as Local Authorities, Chamber of Commerce or other approved providers.
- 2.8 In addition, if operating as a Gateway, the Gateway provider will also receive £300 per placement. It is intended that this funding will be utilised to offset a proportion of the Council's costs to administer the scheme on behalf of employers.

- 2.9 The Gateway organisation would be responsible for the distribution of the £1500 financial grant to employers to deliver their requirements for each work placement.
- 2.10 The Gateway organisation would also be responsible for receiving the salaries for all Kickstart work placements registered on the Gateway. The Gateway would then be responsible for reimbursing all salaries, National Insurance and Pension costs to the employer through an auditable process approved by DWP.

### 3.0 Progress and proposals

- 3.1 It is proposed that the Council supports the programme in three ways:
- **Kickstart Employer** – to offer an initial cohort of 30 work placements within the Council up until December 2021.
  - **Kickstart Gateway** – to provide a co-ordinated Gateway offer to employers through the Council's Enterprise and Skills teams ensuring that employers and young people are supported. It is proposed that the Gateway would initially support up to 150 work placements.
  - **Kickstart Client support** – to offer funded support packages for young people who are taking part in the programme.

#### **Kickstart Employer**

- 3.2 As a Kickstart employer, the Council will provide 30 new and supported work experience placements for young people aged 16-24 years.
- 3.3 The Council will receive £1500 per work placement. This funding will be approved as part of a grant agreement with DWP and will cover eligible expenses for the placement including set up fees, uniform and employability support costs.
- 3.4 The Council will be required to register each work placement on their PAYE system and pay their salaries as an employee. The Council will then claim the salary for each participant one month in arrears. In cases where an individual discontinues their Kickstart work placement, a pro-rata salary payment will be made, for the period of time the individual has worked.
- 3.5 The Council will be required to ensure that employability support is provided as part of the grant agreement with DWP. The College has been approached to develop an employability training programme to support the young person to gain vital skills whilst undertaking the programme.
- 3.6 The Council will also be required to provide coaching and mentoring to the young person during their placement which will be delivered through the services of the Organisational Development Team, service manager and in collaboration with the Wolves at Work team.

### **Kickstart Gateway**

- 3.7 As a Kickstart Gateway, the Council will support employers who have expressed an interest in providing work placements through the Wolves at Work employer support and the Council's Education Business Partnership team.
- 3.8 The funding available to the Council to perform the role of a Gateway is £300 per placement. This will contribute towards the resources which the Council will bring in for oversight and delivery of the scheme. If a total of 150 placements are secured with employers and 30 placements are secured in the Council, the total awarded by DWP will be £54,000. This funding will be utilised to offset the costs of delivering the Gateway.
- 3.9 The Wolves at Work team would work with the employer to identify their workforce development needs and to identify if a Kickstart work placement is appropriate for their organisation. They will also conduct an eligibility check with the employer based on the requirements laid down by DWP and assist in making applications to DWP for work placements.
- 3.10 To date, Wolves at Work has received expressions of interest from 45 companies. 122 placements have been identified within those companies.
- 3.11 The Education Business Partnership team would support this process by undertaking health and safety checks of the employer and ensuring that they are operating in a Covid-19 secure environment suitable for the work placement to take place.
- 3.12 A grant funding agreement will be drawn up with each employer outlining their requirements and responsibilities to deliver the Kickstart work experience placement within their organisation. This will ensure any risk of grant clawback on these gateway grants, is passed to the employers taking part in the programme.
- 3.13 As part of the grant funding agreement, employers will be provided with the option to purchase services from the Council to deliver key requirements, e.g. coaching and mentoring and careers advice for the young person.
- 3.14 The Council will be responsible for managing the financial transactions with the employer and for ensuring compliance and audit of the scheme with each employer.
- 3.15 The employer will register each work placement on their PAYE and pay the salaries for Kickstart placements. The employer will then claim back the salary one month in arrears through a claims process established within the Council through a grant agreement with DWP.

### **Kickstart Young People Support**

- 3.16 Wolves at Work will offer an enhanced coaching and mentoring service to all participants on the Kickstart programme, both those who are employed by the Council and those employed as part of the Gateway process. This will be provided as part of the grant agreement with the employer and will be funded from the grant provided to the employer.

- 3.17 All individuals identified by DWP youth employment coaches as suitable for the Kickstart programme vacancies will be referred to the Wolves at Work team and registered for their services.
- 3.18 Work is underway with DWP to ensure that Wolverhampton's most vulnerable young people can benefit from the scheme, including care leavers and those who have additional challenges.
- 3.19 Kickstart clients will be prepared for employer interviews by Wolves at Work. This includes those within the Council and those recruited by employers through the Gateway process.
- 3.20 Where an individual is employed by the Council, the individual will receive regular coaching and mentoring support from the Wolves at Work team with a view to preparing them throughout their work placements for progression into a positive outcome of employment, training or an apprenticeship.
- 3.21 Where an individual is employed by a Gateway employer, this package of support will be provided as part of a costed agreement with the employer.
- 3.22 All individuals will have access to training and support throughout their work placement.

#### **4.0 Evaluation of alternative options**

- 4.1 Option One - make no change to our existing arrangements. This would mean that young people in the city would not benefit from this offer through the Council. Also, the Council would not be in a position to support employers with offering work placements as part of this scheme.
- 4.2 Option Two – deliver the Kickstart scheme for young people through the Council as an employer only. The Council is proposing to identify an initial cohort of 30 placements as an employer. This number will be reviewed regularly.
- 4.3 Option Three – deliver the Kickstart scheme for young people through the Gateway supporting other employers in the city. The Council has already identified 45 employers who are interested in joining the scheme and 122 work placements. This would mean that only those employed by other employers could be supported through the Council.
- 4.4 Option Four – deliver the Kickstart scheme both as an employer and as a Gateway employing initially up to 30 Kickstart placements through the Council and up to 150 placements through external employers. This is the preferred option as it allows the Council to deliver the scheme as a reputable employer in the city and to provide support to smaller employers who would like to engage with the scheme.

#### **5.0 Reasons for decision**

- 5.1 Kickstart will perform a vital role within the Relighting our City strategy priority Generate More Jobs and Learning Opportunities to support young people in their pathway into sustainable employment.

- 5.2 Kickstart will form part of a youth offer within the city supporting young people, particularly vulnerable young people, to access training, support, careers guidance and sustainable employment including apprenticeships.
- 5.3 Kickstart will form part of a package of measures available to support care leavers in their pathway into sustainable employment.
- 5.4 If the Council does not take the decision to become a Kickstart employer, then the Council will not be in a position to take part in the scheme and provide a range of funded Kickstart work placements to young people in our city.
- 5.5 If the Council does not take the decision to be a Gateway, it will be more difficult for employers, particularly smaller employers in the city to play their part in delivering the Kickstart programme. These employers rely on Gateways to provide access and support to deliver the Kickstart placements within their businesses.

## **6.0 Financial implications**

- 6.1 The Council will be required to enter into a grant agreement with DWP to deliver the Kickstart programme both as an employer and as a Gateway.
- 6.2 It is understood that the vacancies identified by the Council can form part of the Gateway agreement and the Council will also be in a position to claim an additional £300 per Council vacancy as part of the Gateway in the same way that the Council can claim this amount for external employers.

### **Financial Implications - Employer**

- 6.3 The Council proposes to provide 30 Kickstart Work Placements during the funding period for the scheme.
- 6.4 The 30 placements the Council will provide will receive funding to cover the cost of the salary paid, as per the table below, plus employer's NI and pension costs. The Council will also receive a grant of £1500 per work placement, this will cover set up costs including IT equipment and software licences, administration and management time and support with helping participants develop work skills and experience (employability support), as well as funding uniform and personal protective equipment required. The total grant receivable from DWP to fund 30 work placements is £45,000.
- 6.5 The rate at which the Council will be able to claim back from DWP each young person's salary cost is detailed below:

Grade	Pay Point	Description	April 2020 Hourly Rate
KSWE (Kick Start Work Experience)	APPR02	Minimum Wage under 18	£4.55
	APPR03	Minimum Wage 18 -20	£6.45
	APPR04	Minimum Wage 21-24	£8.20
	APPR05	Minimum Living Wage 25+	£8.72

6.6 The table below outlines the payment schedule and the payment dates and milestones for claiming back participant set up and support costs and relevant salaries for Kickstart placements in arrears.

Instalments	Grant Sum Payable	Payment Date/Milestone
1 <sup>st</sup> Payment	One payment per participant for set up and support costs. The amount will be stated in the funding letter.	On confirmation to DWP's satisfaction that the participant has started employment with the employer and receipt of funds from DWP
2 <sup>nd</sup> Payment	100% of the relevant wage for 25 hours a week by the participant during the first month of the job, plus associated employer NI contributions and employer minimum automatic enrolment contributions.	Paid in arrears – on confirmation that participant paid through PAYE for the first month and receipt of funding from DWP. The payment from DWP is expected to be in or around the 6 <sup>th</sup> week of the placement.
3 <sup>rd</sup> to 7 <sup>th</sup> Payments	100% of the relevant wage for 25 hours a week of work by the participant during the subsequent second, third, fourth, fifth and sixth months of the job, plus associated employer NI contributions and employer minimum automatic enrolment contributions.	Paid in arrears – approximately every month after the 2 <sup>nd</sup> payment on confirmation that participant paid through PAYE for the previous month and receipt of funding from DWP.

6.7 Should a participant on the Kickstart scheme not complete the full six-month placement a pro-rata payment will be paid for the salaries. It is understood that if individuals do not complete the scheme the costs incurred to date will not become ineligible and therefore will be funded and not clawed back.



- 6.8 DWP have however stated that they will exercise their right to claw back funding for any ineligible expenditure on the project. There is an extensive list of ineligible expenditure, including payments which can be reimbursed by another public or private sector grant, lobbying, statutory fines etc. The Council will ensure through its project management and auditing processes that all expenditure is monitored carefully and is eligible.

### **Financial Implications - Gateway**

- 6.9 The Council proposes to support initially 150 Kickstart work placements with employers in the city. This will be reviewed regularly.
- 6.10 The grant payments which will be made to the Council by DWP to deliver the Kickstart scheme as a Gateway for other employers are as follows:

<b>Based on 150 Work Placements</b>	<b>Fee/Grant</b>	<b>Total</b>
Payment to Council for managing the Gateway on behalf of DWP	£300 per participant	£45,000
Grant Payment per participant to be paid as part of a Grant Funding Agreement to the Employer	£1500 per participant	£225,000
	<b>TOTAL</b>	<b>£270,000</b>

- 6.11 In addition, the Council will be responsible for managing all financial processes on behalf of each employer on the Gateway. This means that the Council will be responsible for informing DWP when each placement has started their employment. At this point, DWP will make its first grant payment to the Council in relation to each placement. The Council will then make the relevant grant payments on the basis of an agreed grant agreement with each employer.
- 6.12 Once the Kickstart placement has been registered on the employers' PAYE system, automatic payments for each placement will be made to the Council for each placement. The Council will then reimburse the employer for their salary, NI and pension costs. The Council will be required to maintain a fully auditable project management system to ensure that all payments are checked and verified.
- 6.13 In terms of operating the Gateway and the claims processes, we have identified that there will be a shortfall in the resources provided by DWP to operate the project. It is proposed that the cost of the project team totalling approximately £98,000 over an 18 month period be funded from the Recovery Reserve. Cabinet (Resources) Panel approval for this is sought in the Revenue Budget Monitoring 2020-2021 report also presented to Cabinet (Resources) Panel at this meeting.
- 6.14 A Project team will be required to be put in place to manage the Kickstart Work Experience project to ensure that the project is managed effectively and that all financial transactions are checked and verified.

[VS/01122020/Q]

## **7.0 Legal implications**

- 7.1 Where the City of Wolverhampton Council acts as lead body for externally funded projects, the Council will be required to enter into a funding agreement with the funder which outlines the project and also sets out rules and regulations that must be complied with. Where employers are involved in the delivery of the scheme, the Council will enter into a back to back grant funding agreement with delivery partners setting out their responsibilities and ensuring compliance with the funder's rules and regulations.  
[TS/25112020/W]

## **8.0 Equalities implications**

- 8.1 This scheme will help to support the equalities implications on young people who have been disproportionately affected by the Covid-19 pandemic which has resulted in an accelerated increase in youth unemployment over the last few months. The scheme will provide the mechanism for moving more young people into sustainable employment.

## **9.0 Climate change and environmental implications**

- 9.1 The scheme will be delivered within local businesses in Wolverhampton where young people can readily access work experience without impacting significantly on the environment. Public transport will be recommended as a means of travelling to the employers' premises.

## **10.0 Human resources implications**

- 10.1 The scheme will require the recruitment of 30 Kickstart work placements in the Council. A recruitment, induction and support process will be put in place specifically to suit the needs of young people on the Kickstart scheme. This will be implemented in partnership with the Organisational Development Team and the Enterprise and Skills Team.
- 10.2 Kickstart work experience pay grades will be set up.

## **11.0 Corporate landlord implications**

- 11.1 All Kickstart work placements will be checked for health and safety risk assessments and venues will form part of this risk assessment to ensure compliance for young people undertaking work experience. Public and employers liability insurance is adequate for the Council provision. Employers will be asked to confirm that they have the appropriate insurance in place before they employ a work placement.

## **12.0 Health and Wellbeing Implications**

- 12.1 Recruitment into sustainable employment is one of the key indicators for a healthier lifestyle. This programme will support healthy lifestyles and will ensure that young people have access to relevant health and well being support within the Council and coaching and mentoring support as part of the programme.

### **13.0 Covid Implications**

13.1 All Kickstart work placements will undertake an individual Covid-19 risk assessment as part of their induction in the Council. All placement venues will be risk assessed to ensure that they have considered Covid-19 measures as part of their delivery.

### **14.0 Schedule of background papers**

14.1 None.