



CABINET – 7TH JULY 2021

SUBJECT: KICKSTART SCHEME

REPORT BY: CORPORATE DIRECTOR - ECONOMY AND ENVIRONMENT

1. PURPOSE OF REPORT

- 1.1 To update members on the rollout of the Department of Work and Pensions (DWP) Kickstart scheme and to seek cabinet agreement in relation to the Council's engagement with the scheme.

2. SUMMARY

- 2.1 Young people have been particularly disadvantaged by the Covid-19 pandemic, in terms of the reduced employment opportunities available to them as a result of the subsequent economic downturn. The DWP Kickstart scheme presents a very real opportunity to address this issue, with the Council being well-placed to offer placements to local young people. This report sets out the main considerations for the Council in engaging with the scheme and makes recommendations in terms of how the Council could progress as a placement host employer.

3. RECOMMENDATIONS

- 3.1 That Cabinet consider the information contained in this report and:
 - a) Agree to engage with the Kickstart scheme at an authority-wide level, with a commitment to host 10 placements across various departments.
 - b) Agree that placement wages should be paid at Foundation Living Wage rate.
 - c) Endorse the use of corporate reserves to contribute to the scheme to enable wages to be paid at the Living Wage rate rather than the minimum wage (the rate funded by DWP).

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure that the Council, as the largest employer in the County Borough, is engaged as a key player in addressing youth unemployment via the DWP Kickstart scheme.
- 4.2 To ensure that the wages of those on placement reflects the CCBC commitment to the Foundation Living Wage for all employees.

5. THE REPORT

- 5.1 The Kickstart Scheme is a new initiative funded and administered by the DWP as a response to the current problem of rising youth unemployment, as a result of the pandemic. The scheme provides funding to employers to create job placements for 16 to 24-year-olds on Universal Credit, who are at risk of long-term unemployment. Placements are funded at National Minimum Wage based on 25 hours per week, for 6 months (including associated National Insurance contributions); and further funding is also available to cover additional costs including training, IT, uniform and PPE etc. Initially, a Kickstart Scheme application by an employer had to be for a minimum of 30 job placements, however this requirement has now been removed and an employer now only needs to commit to hosting a minimum of 1 placement. Employers can spread the start date of the job placements up until the end of December 2021 and new placement opportunities can be added at any time during this period.
- 5.2 As the largest employer in the County Borough, the Council have a responsibility to tackle the serious issue of worsening youth unemployment within the pandemic. The authority is well-placed to offer opportunities (in the form of placements) to young people via the Kickstart scheme, across a range of delivery areas. The Council already hosts a range of employment support programmes, including Communities for Work (CfW), Communities for Work Plus (CfW+), Bridges into Work 2 (BiW2), Working Skills for Adults (WSfA), Inspire 2 Work (I2W) and Nurture, Equip, Thrive (NET); all of which provide an existing infrastructure to refer potential Kickstart participants. Should approval be given to proceed with the Kickstart programme, managers within these employment programmes would work alongside the Business Liaison Officer (funded by CfW+) to support the scheme, working in partnership with department leads and all relevant teams including Human Resources and Payroll.
- 5.3 The Caerphilly Academy pilot was also approved in April 2020, with the aim to co-ordinate placement and apprenticeship opportunities offered within the Authority via a single gateway, with additional relevant support provided to mentor participants. Whilst full rollout of the pilot has been impacted by the pandemic, the programme is now active and a dedicated Academy mentor has been appointed who would also be available to provide ongoing mentoring and support to all participants (and their Managers) whilst undertaking a Kickstart placement. Academy and Employment Support staff within the Regeneration and Planning service area will support the Kickstart process from start to finish, assisting managers through the process of developing suitable placement opportunities and providing additional mentoring to placement employees (where required), to maximise the likelihood of successful outcomes. Employment support staff will support managers to submit applications for Kickstart posts and will provide any additional support to managers, where required, whilst individuals are in placements; whereas the Academy mentor will

provide any necessary support to the *individuals* completing the placement. Employment mentors will support suitable candidates on their existing caseloads to apply for placements, as well as providing wraparound employment support at the end of the placement period, for any individuals that find themselves unemployed following completion of their Kickstart placement. Upon being accepted for a placement, successful candidates will be subject to the usual recruitment checks and processes as with any new starter to the Council, which would be carried out by HR as per standard procedures.

- 5.4 Participation in the Kickstart scheme also presents clear links with the Council's Workforce Development Strategic Action Plan, which is currently in development. Placements and apprenticeships (including Kickstart) are included within the "*Managing Talent and Creating Opportunity*" priority action area of the plan; and discussions have taken place with HR to consider service areas within the Council that are experiencing difficulties with recruitment and may benefit from the addition of a Kickstart placement, which could potentially be an opportunity to assist succession planning. Should Kickstart be approved, these departments could be approached to establish the potential of placements via the scheme to help address workforce development needs in these service areas.
- 5.5 There are obvious resource implications associated with any commitment to provide placements as an Employer, in addition to specific risk considerations due to the ongoing pandemic context. These can be summarised as follows:
- 5.6 **Workplace Safety:** Current guidance requires people to work from home where possible; and only minimum required numbers of staff are currently present in council premises as a means of maintaining social distancing measures, although with the ongoing improvement in the pandemic situation, this guidance may change and restrictions may lessen as we progress further through the year. Therefore, any significant increase in the numbers of staff due to attend council venues at this current time (for the purpose of attending placements), would raise additional risk concerns with regards to maintaining staff safety. Similarly, there are restrictions on numbers of passengers within Council vehicles, which would place additional risk considerations on those departments that work on a more mobile basis (including Refuse & Cleansing, Parks etc), in terms of their ability to host placements. Adequate PPE supply must also be considered for any additional staff within roles where it will be required. Full consideration must be given to ensure that any young people commencing Kickstart placements are not placed at unnecessary risk and that appropriate risk assessments are in place. As part of facilitating any placements via the Gateway, any department looking to host a placement will be required to ensure that an adequate risk assessment is in place; the process of assessing these risks may have an impact on Health and Safety resources.
- 5.7 **IT Infrastructure:** Given the concerns raised above regarding additional staff attending Council premises, a possible solution may be to have a greater proportion of home-based placements, however this raises concerns regarding the ability to provide adequate IT equipment to those on placement. Whilst there is no longer a shortage in supply (as experienced during the height of the pandemic), managers hosting placements will have to plan ahead to ensure that suitable equipment is made available promptly, to enable those on placement to participate fully within their role.

- 5.8 **Placement Experience:** Within the current context outlined above, there must also be a consideration of the quality of experience that placement participants might expect. Inductions, training, mentoring and professional development would all be affected by the current circumstances (whether the placement is on a working from home basis or premises-based) and the ability to provide a *meaningful* placement must be balanced against the obvious positives that are to be gained from work experience. A placement will only be truly effective if service areas can commit to effective induction, learning, mentoring, supervision and peer support.
- 5.9 **HR:** Upon being accepted for a placement, successful candidates will be subject to the usual pre-employment checks and clearances, which would present additional resource implications for the Council's HR department. Medical assessment and medical restrictions would also need to be considered, with involvement from Occupational Health if required – and subsequent measures may need to be put in place to risk assess any restrictions that may arise, which could have further implications for Occupational Health, HR and Health and Safety resources.
- 5.10 **Salary:** The Kickstart scheme is based on posts being paid according to the National Minimum Wage, the costs for which can be fully reclaimed from DWP. The Council is a Foundation Living Wage employer and there is a potential disparity between the DWP designated wage rate of Kickstart employees in relation to other employees within the Authority. As this is a Government run scheme with clear parameters, there is no obligation to bring Kickstart wage rates in line with the Foundation Living Wage commitment. However, paying Kickstart placements to undertake work within the Council at the National Minimum Wage would not be in line with the Council's commitment to pay the Foundation Living Wage rate. It is therefore recommended that Kickstart placements within Caerphilly be paid at the Foundation Living Wage rate.
- 5.11 **Scope of involvement:** Consideration has also been given to the timing and extent of participation in the Kickstart scheme. Prompt action is important to address the growing problem of youth unemployment, however this needs to be balanced against the risks outlined herein. Due to the potential risks associated with placing further personnel into the authority during the current pandemic; and the potential additional resource implications for hosting new members of staff in general, there has been a delay in terms of engaging with the scheme during the winter months when Wales was subject to lockdown restrictions. Given the improving pandemic situation this provides scope for the Authority to now actively consider hosting placements. The scheme is open for new applications until December 2021, therefore the Authority has the option to further delay the introduction of the scheme until a time when it may be anticipated that resource and risk pressures due to the pandemic may be even further reduced. Any further significant delays would of course impact the extent to which we are able to benefit from the scheme in the time period that remains. With this in mind, Council officers recommend engagement with the scheme to commence in August 2021, with a commitment to host 10 placements, although this commitment will continue to be subject to Welsh Government guidance in relation to Covid-19. This commitment has been assessed as a quantity that would provide meaningful benefit in terms of additional opportunities for young people within the County Borough, whilst also remaining realistic in terms of the ability to manage the risks and additional resource implications as outlined above.
- 5.12 It is worth noting that this recommendation is also based upon a realistic assessment of the number of placements that may be reasonably accommodated within current

Council resources. Should any future decisions be made to commit to a greater number of placements above the 10 proposed, or in the event of the scheme being extended past the current dates, wider consideration would need to be given to the ability to resource this based on current capacity. In this case it might be necessary to consider investing in additional resources to ensure the scheme is managed effectively and to maximise benefits for both individuals and the Council as an employer. Any additional resources could be built into the future structure of employment support within the Council, incorporating existing employment teams and the Academy structure to create a truly integrated employment structure, which ties in employment opportunities across the whole Council. This consideration is particularly relevant given the ongoing discussions regarding the impending cessation of employment support funding via the European Social Fund (ESF) and potentially Welsh Government employment funding, adding even greater weight to the importance of identifying replacement funding sources at an early stage to avoid gaps in service provision and to prevent a devastating loss of knowledge, skills and experience in terms of the existing employment teams.

Conclusion

- 5.13 There are many identifiable benefits for the Council in participating in the Kickstart scheme, which will also translate into benefits for local young people seeking employment opportunities. It is therefore proposed that the Council engage with the scheme as an Employer, with a commitment to host a maximum of 10 placements across departments. Initial discussion with department leads has led to positive interest in hosting placements and it is anticipated that there would be great demand for the 10 placements across service areas, with potential in particular to approach service areas that are experiencing difficulties recruiting to posts. New placements can be introduced gradually, at a rate and to an extent which does not exceed covid-19 risk assessments for numbers of staff in the workplace; and with each placement able to be assessed individually to ensure that it can be hosted safely and in a manner which ensures a quality experience for the individual.

6. ASSUMPTIONS

- 6.1 That the current pandemic situation will continue to improve over the coming months, thereby meaning that individual departments are facing reduced pressures with regards to staffing capacity and availability of infrastructure (such as IT equipment) to enable effective working from home if still required. If approved, we will continue to monitor Welsh Government guidance in relation to Covid-19 throughout the rollout of the scheme.
- 6.2 That a greater proportion of the workforce will have returned to some form of office (or other workplace) attendance within this period, thereby enabling greater opportunity for placements to take place in the workplace, as per “normal” arrangements prior to the pandemic.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 The Integrated Impact Assessment (attached as Appendix 1) has identified that the scheme offers many benefits to individuals across all socio-economic backgrounds. Employment offers a sustainable route out of poverty and provides individuals with

the resilience and resources to overcome many of the social problems associated with living in deprived communities. In addition, addressing worklessness within local areas and improving the local economy contributes to more cohesive, healthier and prosperous communities. Many individuals and groups who fall under the protected characteristics are often affected to a greater extent by poverty, vulnerability and the related causes; therefore any provision that provides opportunities for upskilling, training, empowering and participation in/contribution to the local economy is positive.

7.2 In particular, this proposal will directly and positively contribute towards the Council’s Wellbeing Objectives, specifically the following:

- Wellbeing Objective 1 “Education for All” (Outcome 1 – “aim to reduce the impact of poverty by supporting people into better employment prospects”)
- Wellbeing Objective 2 “Enabling Employment” (“support learning that enables young and adult employment opportunities”)

(Further detail on the Wellbeing Objectives is contained within the Integrated Impact Assessment)

8. FINANCIAL IMPLICATIONS

8.1 As highlighted above, the recommendation is that placements be paid in line with the Council’s commitment to the Foundation Living Wage. As reimbursement from DWP is based on the National Minimum Wage, this increased wage rate would incur an additional wage cost, to be borne by the Authority. The total cost difference, based on the proposed 10 placements, will vary according to the age of placement employees, as National Minimum Wage rate varies according to age.

8.2 From 1st April 2021, the differences in National Minimum Wage (according to age) and Foundation Living Wage, are outlined in Table 1. Table 2 outlines the additional costs of paying placement wages at the Foundation Living Wage rate for each age category, based on the proposed 10 placements.

Table 1

National Minimum Wage				Foundation Living Wage
Under 18	Age 18-20	Age 21-22	Age 23+ (entitlement to National Living Wage)	
£4.62	£6.56	£8.36	£8.91	£9.50

Table 2

	Under 18	Age 18-20	Age 21-22	Age 23+
National Minimum Wage (Overall Placement Cost, 10 placements)	£30,030	£42,640	£54,340	£57,915
Foundation Living Wage (Overall Placement Cost, 10 placements)	£61,750	£61,750	£61,750	£61,750
Cost Difference (borne by CCBC)	£31,720	£19,110	£7,410	£3,835

Please note, costings above are based on costs for full 6 months placement at 25 hours per week.

- 8.3 The information within Table 2 demonstrates that the maximum total cost to the Authority of “topping up” to the Foundation Living Wage, based on the greatest potential disparity (for the Under 18 age group), would be £31,720. This cost would be reduced if any placements were occupied by candidates from the higher age groups, as indicated above. The total cost of the scheme therefore could be up to **£31,720**, plus associated National Insurance contributions in relation to the additional salary payment.
- 8.4 It is possible that the administration of this additional payment may also carry additional resource implications for Payroll.

9. PERSONNEL IMPLICATIONS

- 9.1 Participation in the Kickstart scheme has the potential to provide a positive impact in terms of personnel, with placements boosting the Council’s workforce and offering additional resource for service areas who have additional labour demands.
- 9.2 Engaging with the scheme would also present additional personnel implications for the Council, mainly in relation to the additional resources required to manage a scheme of this manner, at both a central programme management level and at an individual placement management level, as follows:
- **Department leads** – supervising placements (with additional dedicated mentor support available from within employability programme teams and via Academy mentor), reclaim of grant retrospectively within department finance teams;
 - **Finance** – central co-ordination of salary grant reclaim from DWP;
 - **Payroll** – establishing individual on CCBC Payroll system, administration of potential top-ups in salary;

- **HR** – ongoing advice and guidance to the Employment Support Team, responding to HR needs of individuals on placement, usual new starter recruitment checks, supporting with regard to Occupational Health and other employment clearance needs;
- **Health and Safety** – offering advice and guidance to managers to manage and minimise risk with regard to placements.

10. CONSULTATIONS

- 10.1 All consultation responses are reflected in this report.
- 10.2 Response from Sue Richards (Head of Education, Planning and Strategy) recommended the inclusion of options for members around both the Caerphilly Skills and Apprenticeship Academy and Kick start programme, ranging from a pilot approach with minimum take-up for a year with minimum investment requirement, to the development of a dedicated team (similar to the previous passport team) ensuring on-going expansion and roll out at pace but with the obvious increased investment requirement. Whilst this suggestion was considered at depth, the decision was taken not to follow this recommendation within the current report, given that the Kickstart scheme is based on a discreet and short-term (based on current guidelines) funding stream, for which the proposals within this report have been developed on a realistic basis according to current resources and with consideration being given to the continued challenges and restrictions presented by the ongoing pandemic situation. However, as outlined in 5.12, should decisions be made at a later stage to expand the parameters of the current proposal, further consideration could be given to the development of a wider structure and investment in additional resource to facilitate this.
- 10.3 Further queries were also raised by both the Head of Education, Planning and Strategy and the Head of People Services regarding staffing capacity, roles and general resourcing issues. The report has been amended to provide clarity on these matters.

11. STATUTORY POWER

- 11.1 The Local Government Acts 1998 and 2003.

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Appendices:

Appendix 1 – Integrated Impact Assessment