

## **Item: 20**

**Policy and Resources Committee: 22 June 2021.**

**Kickstart Scheme.**

**Report by Executive Director of Education, Leisure, Housing.**

### **1. Purpose of Report**

To consider resourcing Kickstart placement opportunities within Orkney Islands Council.

### **2. Recommendations**

The Committee is invited to note:

#### **2.1.**

That the Community Learning and Development service is responsible for a variety of employability support work, at a time when the employability agenda is rapidly evolving with additional requirements for local government.

#### **2.2.**

That, in September 2020, the UK Government introduced the Kickstart Scheme, which provides funding to create new jobs for 16 to 24-year olds on Universal Credit who are at risk of long-term unemployment.

#### **2.3.**

That, in January 2021, a local Kickstart Gateway Organisation partnership bid, under the ASPIRE Orkney banner, secured a total of 57 possible Kickstart placements with local employers, with Orkney Construction Training Group providing the administrative support and the Community Learning and Development service offering support to the employers and the young people taking up the placements.

#### **2.4.**

That the Community Learning and Development service is working in close collaboration with Human Resources to develop and encourage supported and inclusive employment opportunities.

**It is recommended:**

#### **2.5.**

That an allocation of up to £53,300, to be met from the Council's Coronavirus Response Fund, be committed to enable the Council to employ up to 10 young people, aged 16-24, for a six-month period under the Kickstart Scheme.

## **3. Background to Kickstart Scheme**

### **3.1.**

In September 2020, the UK Government introduced The Kickstart Scheme, which provides funding to create new jobs for 16 to 24-year olds on Universal Credit who are at risk of long-term unemployment.

### **3.2.**

The funding available 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.
- Any relevant workplace pension contributions (automatic enrolment).

#### **3.2.1.**

Employers can pay a higher wage and add more hours, but the funding will not cover this.

### **3.3.**

Employers will also receive additional funding of £1,500 to be spent on setup costs and on supporting the young person to develop their employability skills.

### **3.4.**

The jobs created with Kickstart funding must be new jobs and not used to replace existing or planned vacancies, or cause existing employees, apprentices, or contractors to lose work or reduce their working hours.

### **3.5.**

The job placements can start up until 31 December 2021.

### **3.6.**

Initially, applications had to be for a minimum of 30 Kickstart placements, so employers with fewer vacancies had to apply through an intermediary “Gateway” Organisation. The Department for Work and Pensions (DWP) has since removed that requirement, allowing employers to now apply directly to the Kickstart Scheme.

## **4. Kickstart in Orkney**

### **4.1.**

The Community Learning and Development service recently took on responsibility for employability support within Orkney Islands Council, to progress the No One Left Behind agenda, which is focused on co-ordinating and delivering effective support to those who need it the most.

## **4.2.**

During this time, the employability agenda has evolved rapidly with additional requirements on local government to provide a key leadership role, working collaboratively with partners to simplify the local employability landscape, build better integrated services, offer a person-centred key worker approach and develop and promote accessible and inclusive employability pathways ensuring the creation of fair and sustainable employment opportunities within the local community.

## **4.3.**

In line with this approach, ASPIRE Orkney, in partnership with the Council and Orkney Construction Training Group, applied to become a Gateway Organisation in January 2021. Whilst Orkney Construction Training Group is taking on the administrative role, to ensure employers get their approved funding each month, Community Learning and Development is taking a role in providing support to the young people and employers to maximise the opportunity to make placements a success.

## **4.4.**

An initial Gateway application was made which resulted in 26 vacancies going forward and a second bid has recently been approved for an additional 31 placements. With a total of 57 placements coming through ASPIRE, alongside Kickstart placement applications direct from employers and from local employers that are part of larger national organisations, the scheme has been very popular in Orkney.

## **4.5.**

In March 2021, there were 183 young people aged 16-24 on Universal Credit in Orkney. Not all of these will be eligible for Kickstart placements and some may not be regarded as work ready. The number of young people eligible for the scheme will vary over time, although it is anticipated that youth unemployment will increase in the Autumn as furlough is scheduled to end on 30 September 2021.

## **4.6.**

As Kickstart placements come to fruition and young people are recruited, the pool of potential applicants will not only reduce but those who are still claiming Universal Credit and unemployed are more likely to be those further from the job market, requiring additional support to secure, maintain and progress within employment. Working to the principles of No One Left Behind, the Council has a duty of care to support these young people and ensure Orkney's economic bounce back is inclusive, as stated in the ASPIRE mission statement.

## **5. Orkney Islands Council as a Kickstart Employer**

### **5.1.**

There has been a hugely positive response from local employers in Orkney, many who have been seriously impacted by COVID-19, to support young people by participating in the Kickstart Scheme. It is hoped that the Council will consider making a similar commitment to young people by committing to employing a number of young people through the Kickstart Scheme.

### **5.2.**

As a Living Wage employer, the Council would need to identify funding to subsidise this employment opportunity as the Kickstart Scheme only covers the costs of the Minimum Wage. A commitment of up to £53,280 would enable up to 10 young people to be employed with the Council, 25 hours a week, for 6 months.

### **5.3.**

This early intervention approach would have a positive economic benefit going forward, supporting young people into fair and sustained work and reducing the need for welfare support and more acute, specialist interventions in the future, which can be linked with youth and long-term unemployment.

### **5.4.**

Together with supporting those who are going to be disproportionately affected by the pandemic, the opportunities would also support the Council to 'grow our own', developing and retaining skills and young people within the local community and economy. With an ageing workforce, and a limited supply of people, it is imperative that attractive opportunities are provided, in order to sustain a skilled workforce and create opportunities to ensure young people can stay here and return here.

### **5.5.**

The Community Learning and Development service is actively working with Human Resources to review and improve the structures, practices and policies that are in place, to ensure the Council is encouraging more supported and inclusive employment opportunities.

### **5.6.**

Scottish Government has committed £125 million to support employability services in 2021/22, and although at the time of writing this report, Local Authority allocations are yet to be confirmed, Community Learning and Development is keen to ensure longevity and sustained employment support for young people by aligning other schemes with Kickstart.

## **5.7.**

Working with local employers, including the Council, some Kickstart placements could potentially be extended by a further 12 months, with 50% of the wage costs covered under an Employer Recruitment Incentive (ERI), ensuring sustained employment opportunities for up to 18 months.

## **6. Human Resource Implications**

### **6.1.**

If the principle is supported and funding is approved, an internal process will be undertaken to identify service areas where Kickstart placements could be provided within the Council.

### **6.2.**

Candidates for such placements would then be identified through a ring-fenced process via JobCentrePlus, and a competitive selection process would then be undertaken, if required, by the employer.

### **6.3.**

Any people taken on a placement would be considered as temporary employees and provided with a relevant contract of employment.

### **6.4.**

Hours worked will be paid at the Scottish Local Government Living Wage rate of pay.

## **7. Equalities Impact**

An Equality Impact Assessment has been undertaken and is attached as Appendix 1 to this report.

## **8. Links to Council Plan**

### **8.1.**

The proposals in this report support and contribute to improved outcomes for communities as outlined in the Council Plan strategic priority theme of Enterprising Communities.

### **8.2.**

The proposals in this report relate directly to Priority 4.3. Reprioritise economic development activity and funding to focus on inward investment and facilitating projects and support programmes which will have the highest transformational impact in relation to job creation, inward migration/retention of working age population and community enablement of the Council Delivery Plan.

## 9. Links to Local Outcomes Improvement Plan

The proposals in this report support and contribute to improved outcomes for communities as outlined in the Local Outcomes Improvement Plan priority of A Vibrant Economy.

## 10. Financial Implications

### 10.1.

The cost to the Council of taking on a Kickstart placement is the difference between the local government living wage plus Distant Islands Allowance and pension that the Council is committed to pay employees and the reimbursement from Government which is based on the national minimum wage. The scheme is open to young people between the ages of 16 and 24 with the cost dependent on the age bracket the young person falls into.

### 10.2.

The cost of a placement to the Council will be greatest for 16-17-year olds where the difference between the local government living wage and the national minimum wage is greatest:

	Net Cost per Month	Net Cost for 6 Months
16 – 17-year-old	£888	£5,328
18 – 20-year-old	£676	£4,056
21 – 24-year-old	£459	£2,754

#### 10.2.1.

10 six-month Kickstart placements would therefore cost a minimum of £27,540 and a maximum of £53,280 depending on the age of the young people selected.

### 10.3.

At the Special General Meeting held on 16 April 2020, the Council established a Coronavirus Response Fund, with an opening balance of £5,000,000. To date a total of £3,102,533 has either been paid or committed from the Coronavirus Response Fund leaving an uncommitted balance of £1,897,467.

### 10.4.

The report makes the case that the Council offering up to 10 Kickstart placements will be a positive response to getting young people who have been particularly impacted by the pandemic into employment. This will be of direct benefit to the Council and local businesses through developing and retaining skills and young people within the local community and economy. The Coronavirus Response Fund would therefore be a possible source of funding for this initiative.

## **11. Legal Aspects**

There are no legal implications arising directly from the recommendations contained within this report.

## **12. Contact Officers**

James Wylie, Executive Director of Education, Leisure and Housing, extension 2401, Email [james.wylie@orkney.gov.uk](mailto:james.wylie@orkney.gov.uk)

Frances Troup, Head of Community Learning, Leisure and Housing, extension 2177, Email [frances.troup@orkney.gov.uk](mailto:frances.troup@orkney.gov.uk)

Andrew Groundwater, Head of HR and Performance, extension 2253, Email [andrew.groundwater@orkney.gov.uk](mailto:andrew.groundwater@orkney.gov.uk)

Kerry Spence, Service Manager (Community Learning and Development and Employability), extension 2425, Email [kerry.spence@orkney.gov.uk](mailto:kerry.spence@orkney.gov.uk)

## **13. Appendix**

Appendix 1: Equality Impact Assessment.



## Equality Impact Assessment

The purpose of an Equality Impact Assessment (EqIA) is to improve the work of Orkney Islands Council by making sure it promotes equality and does not discriminate. This assessment records the likely impact of any changes to a function, policy or plan by anticipating the consequences, and making sure that any negative impacts are eliminated, or minimised and positive impacts are maximised.

<b>1. Identification of Function, Policy or Plan</b>	
Name of function / policy / plan to be assessed.	Orkney Islands Council participation in the UK Government Kickstart Scheme
Service / service area responsible.	Education, Leisure and Housing
Name of person carrying out the assessment and contact details.	Kerry Spence 01856 873535 ext. 2425 or 07834 788 484 <a href="mailto:Kerry.spence@orkney.gov.uk">Kerry.spence@orkney.gov.uk</a>
Date of assessment.	18 May 2021
Is the function / policy / plan new or existing? (Please indicate also if the service is to be deleted, reduced or changed significantly).	New

<b>2. Initial Screening</b>	
What are the intended outcomes of the function / policy / plan?	The Kickstart Scheme aims to provide young people at risk of long-term unemployment with a 6 month, Government subsidised, work based training placement. By supporting young people on skills development and progression, the scheme will maximise their readiness to make a successful transition into long term employment, giving them the confidence and competence to succeed. The scheme will also provide positive outcomes for employers by providing funding support to create new posts to develop their potential and improve the sustainability and long-term functionality of their service.

<p>Is the function / policy / plan strategically important?</p>	<p>A key focus of the response to COVID-19 is focused on economic recovery, and as such there is a strategic importance on supporting this employability scheme. The Council is already a key partner providing employability support to employers already signed up to the scheme as part of the ASPIRE Orkney Gateway Organisation.</p>
<p>State who is or may be affected by this function / policy / plan, and how.</p>	<p>Young people resident in Orkney aged 16-24 who are unemployed and receiving Universal Credit. Services taking on a Kickstart placement and service users will also potentially benefit from an expansion in services and improved service delivery.</p>
<p>How have stakeholders been involved in the development of this function / policy / plan?</p>	<p>Community Learning &amp; Development, Orkney Construction Training Group and ASPIRE Orkney have done a lot of work to publicise the scheme to employers across Orkney and ensure employers as well as the young people are supported in achieving positive outcomes from the scheme. Various sections in OIC have registered an interest in the scheme but without additional funding to cover the costs associated with being a living wage employer, many are currently unable to pursue the schemes potential. Intensive consultation has taken place with The Youth Forum and employers on the benefits of the scheme and the support required.</p>
<p>Is there any existing data and / or research relating to equalities issues in this policy area? Please summarise. E.g. consultations, national surveys, performance data, complaints, service user feedback, academic / consultants' reports, benchmarking (see equalities resources on OIC information portal).</p>	<p>Yes. The overall aims of the Kickstart Scheme are to improve life chances and prospects for young people and to tackle youth unemployment. The scheme is intended to lead to outcomes such as enabling the development of confidence, abilities and skills that young people can use in employment and supporting young people in particular those who need more choices and more chances to achieve their full potential. Early findings from research on the impact of Coronavirus on the economy suggests that there may be further inequalities relating to gender, disability and race. Research papers include: <a href="#">impacts-of-covid-19-on-equality-in-scotland</a> <a href="#">unequal impact? Coronavirus and the gendered economic impact</a> <a href="#">unequal impact? Coronavirus and BAME people</a></p>

<p>Is there any existing evidence relating to socio-economic disadvantage and inequalities of outcome in this policy area? Please summarise.</p> <p>E.g. For people living in poverty or for people of low income. See <a href="#">The Fairer Scotland Duty Interim Guidance for Public Bodies</a> for further information.</p>	<p>As above.</p> <p>The scheme is focused on targeting support so that young people do not miss out on opportunities. It aims to achieve positive impacts for young people who are the most vulnerable and disadvantaged in our community.</p> <p>The longer people are unemployed the harder it is to progress into positive social and economic destinations.</p>
<p>Could the function / policy have a differential impact on any of the following equality areas?</p>	<p>(Please provide any evidence – positive impacts / benefits, negative impacts and reasons).</p>
<p>1. Race: this includes ethnic or national groups, colour and nationality.</p>	<p>Yes, potential positive impact. Evidence shows employment rates in some population groups in Scotland remain low in comparison to others. National data suggests that a higher share of the visible minority ethnic population is employed in the hospitality industry although local data in this area is limited.</p>
<p>2. Sex: a man or a woman.</p>	<p>Yes, potential positive impact. Evidence shows employment rates in some population groups in Scotland remain low in comparison to others. The employment rate of women remains lower than men and gender segregation remains an issue across a number of industry sectors and occupational groups.</p>
<p>3. Sexual Orientation: whether a person's sexual attraction is towards their own sex, the opposite sex or to both sexes.</p>	<p>No</p>
<p>4. Gender Reassignment: the process of transitioning from one gender to another.</p>	<p>No</p>
<p>5. Pregnancy and maternity.</p>	<p>No</p>
<p>6. Age: people of different ages.</p>	<p>Yes, potential positive impact for young people aged 16-24. Providing support and employment opportunities for unemployed young people at this critical time,</p>
<p>7. Religion or beliefs or none (atheists).</p>	<p>No</p>
<p>8. Caring responsibilities.</p>	<p>No</p>
<p>9. Care experienced.</p>	<p>Yes, potential positive impact for young people. The scheme aims to achieve positive impacts particularly for those groups that are most</p>

	vulnerable and disadvantaged in our community.
10. Marriage and Civil Partnerships.	No
11. Disability: people with disabilities (whether registered or not).	Yes. Potential positive impact for people with disabilities as CLD are looking to provide additional employability support for vulnerable and disadvantaged young people in the community.
12. Socio-economic disadvantage.	Yes. Potential positive impacts, as the scheme focuses on supporting unemployed young people and help achieve positive impacts particularly for those that are most vulnerable and disadvantaged.
13. Isles-proofing.	Yes. Potential positive impacts, as the scheme aims to support and help achieve positive impacts particularly for those groups that are most vulnerable and disadvantaged in our community. The scheme will look to promote Council employment opportunities throughout the County.

### 3. Impact Assessment

Does the analysis above identify any differential impacts which need to be addressed?	No, any impacts identified are likely positive impacts.
How could you minimise or remove any potential negative impacts?	N/A
Do you have enough information to make a judgement? If no, what information do you require?	Yes

### 4. Conclusions and Planned Action

Is further work required?	Yes
What action is to be taken?	If Orkney Islands Council takes on an employer role under the Kickstart Scheme, each service will have to develop new roles and ensure adequate support is provided for young people in the placement. Community Learning and Development will work to support employers and align additional support to add longevity and sustained support for the young people continuing in employment after the 6 months under additional

	support incentives.
Who will undertake it?	Officers within Community Learning & Development and wider partners within Orkney Islands Council who participate in the Kickstart Scheme.
When will it be done?	All posts to be started by 31 December 2021. It would be hoped that a bid for placements would be submitted by May 2021
How will it be monitored? (e.g. through service plans).	A report on progress will be submitted to the Education, Leisure & Housing Committee.

Signature:		Date:	18-05-21
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Please sign and date this form, keep one copy and send a copy to HR and Performance. A Word version should also be emailed to HR and Performance at [hrsupport@orkney.gov.uk](mailto:hrsupport@orkney.gov.uk)