

Scrutiny Bulletin: 9 January 2023

Title of Update: Kickstart Scheme Review

Relevant Officers: Rosie Bates - Skills & City Inclusivity Manager

Victoria Hatfield - Service Lead – Net Zero & Business

Contact for general enquiries:

Jo Quinnell, Assistant Democratic Services Officer, Democratic Services, Room 4.36

Email: [jo.quinnell@exeter.gov.uk](mailto:jo.quinnell@exeter.gov.uk). Tel: 01392 265197

## 1. What is the update about?

This update is about the review of Exeter City Council's role as a gateway organisation for the Kickstart Scheme, including the performance of the scheme.

## 2. Background

In August 2020, Government announced the introduction of a new scheme, the Kickstart scheme, to support young people (aged 16-24) back in to employment.

The basis of the scheme was that this age group has been badly affected by the pandemic, with their prospects limited and in a number of cases their confidence significantly reduced. The scheme would be operated by the Department for Work and Pensions, and provide a wage subsidy to businesses employing an eligible young person, alongside an additional payment to support costs associated with employment – such as equipment, IT kit, clothing, and also personal and professional development for the young person to ensure they would have the best possible opportunity to transition in to sustainable employment at the end of their 6 month placement.

Young people needed to be aged 16-24 and claiming Universal Credit to be eligible for the scheme.

Businesses needed to complete an application process to demonstrate their commitment to supporting the young person and to demonstrate that they met key criteria – such as age of trading and financial stability.

When first announced, the Department for Work and Pensions would only accept direct applications from businesses able to offer at least 30 placements, meaning that the majority of small businesses would not be able to apply direct. To enable them to access the scheme they needed to apply through a 'Gateway' organisation. This organisation needed to be approved by

DWP, and was to be responsible for checking the business and placements were eligible and suitable for the scheme. There was a payment of £300 per filled placement for Gateway organisations to support the administration of the scheme.

On reviewing the scheme, and considering the profile of businesses within the city, Exeter City Council made the decision to become a Gateway organisation in order to support businesses to access the scheme, and for our young people to benefit from the opportunities to be made available. Government subsequently changed its position on this in January 2021, enabling any size business to apply directly to the scheme.

### 3. Current position

The Kickstart scheme came to an end on 30<sup>th</sup> September 2022 when all placements were completed, the last ones having started no later than 31st March 2022.

Exeter City Council have since been gathering feedback and data to be able to review the scheme. A short report is now available.

The DWP have been conducting a national evaluation which will be available in early 2023.

The following table highlights some of the key statistics in relation to Exeter City Council's role as a Gateway organisation.

Number of businesses engaged	53
Number of businesses that recruited a young person	33
Total number of placements created (and approved by DWP)	187
Number of placements filled	105 (56.16%)
Number of placements finished early (variety of reasons)	29 (27.62%)
Number of Young People in employment – December 2022 (note: this may not be the same employment as their placement)*	72 (68%)
Different sectors of business that were engaged (see table below)	14

The feedback from businesses and young people has on the whole been positive. A number of businesses expressed frustration with the administrative elements of the scheme, and the timescales involved in the different stages. This was especially true for those that were involved at the outset of the scheme when a lot of the processes were constantly evolving.

The review report also includes feedback from DWP and the internal teams that were involved.

The most encouraging outcome from the scheme is that 68% of the young people who undertook a placement are now in sustained employment.

### 4. Future position

There is no further activity to undertake in relation to the role as a Gateway organisation as all activities in the scheme have come to an end.

The review report contains recommendations for the council to consider should a role such as this be required in the future.

## 5. Are there any other options?

The options are contained within the report.

## 6. Conclusion

There have been a number of positive outcomes for the young people and businesses engaged in the scheme. On the whole it was an administratively heavy scheme to deliver, and whilst there was funding for Gateway organisations, any future role such as this should be carefully considered.

A copy of the full review report can be obtained by emailing [rosie.bates@exeter.gov.uk](mailto:rosie.bates@exeter.gov.uk)