



COUNCIL: 14 October 2020

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**Report of: Corporate Director of Place & Community and Corporate Director of Transformation & Resources**

**Relevant Portfolio Holder: Councillor Y. Gagen**

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**SUBJECT: UPDATE OF KICKSTART PROGRAMME AND APPRENTICESHIPS**

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Wards affected: Borough wide

## **1.0 PURPOSE OF THE REPORT**

1.1 To update Council on the progress made reviewing the Kickstart Programme launched by the Government and seek the release of pump prime monies associated with the support resources needed to establishment the scheme as detailed in the report, update on plans for Apprenticeships within the Council and working with local businesses and update following the July 2020 resolution on the matter.

## **2.0 RECOMMENDATIONS**

2.1 That Council note the progress made in relation to the planning for the potential establishment of a Kickstart Programme within the Borough, the current work with local businesses in the Borough to encourage the take up of Apprenticeships and the update on Apprenticeships within the Council workforce.

2.2 That Council agree to the release of a pump prime funding, as indicated in the report Financial and Resources Implications, to enable the Council to submit an application to the Department for Work and Pensions to become a Kickstart Programme intermediary provider and to enable the effective operation of the project, if the application is approved.

2.3 To delegate any decision making powers related to the Kickstart Programme implementation and operation within the overall budget indicated, to the Corporate Director Place and Community, in consultation with the Portfolio Holder for Leisure, Health and Wellbeing and Human Resources.

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### 3.0 BACKGROUND

3.1 In July 2020, Council resolved:

- A. That it be noted that this Council is increasing the number of apprenticeships offered within the organisation and that a number of apprenticeships have been started in recent months or are scheduled to start shortly and this is to be warmly welcomed. That this Labour run council has a strong record of action when it comes to creating opportunities within the council and working with employers large and small across the borough and education providers, including West Lancashire College and that this action has resulted in the creation of 33 meaningful apprenticeships within the Council (25 new starts since 1 April 2017) in addition to and this doesn't include those apprenticeships created through our contractor partners in housing services.
- B. That it be noted with concern that the effects of the COVID-19 pandemic on the employment prospects of young people have been very negative. Youth charity, Impetus point out:
- That in June 2020 twice as many young people are now claiming unemployment benefits compared to March 2020, with 13% of the youth labour force now claiming benefits.
  - That this summer, a further 500,000 young people will leave education and try to enter the labour market.
  - Young people are 2.5 times as likely to work in shut-down sectors, accounting for 30% of all 18-24 year olds. This has meant that one-third of 18-24 year olds – excluding students – have either lost their jobs or been furloughed. That it's double the rate of prime age adults.
  - 9% of non-full-time students have lost their main job since COVID-19 hit – three times higher than the average figure.
- C. That this council welcomes the announcement by the Chancellor on 8 July that HM Treasury will provide £2 billion under the Kickstart Scheme specifically targeted to support the creation of opportunities for those seeking work, in particular for those in the 16-25 year old age group. As the Kickstart Scheme is based on Labour's successful Future Jobs Fund, it should help many young people to access work. There is also the uncertainty of the Council's financial position due to the COVID-19 pandemic and the lack of proper funding from central government.
- D. That this Council resolves to:
- 1) Use the commitment from Government to provide support for those seeking work, including the creation of apprenticeships for young people, to continue to engage in providing meaningful apprenticeship schemes within the Council in a prudent and financially sustainable manner.
  - 2) Continue to work with the wider business community in West Lancashire to encourage greater provision of apprenticeships.
  - 3) Write to the Chancellor, the Right Hon Rishi Sunak MP and Minister for Apprenticeships and Skills, The Hon Gillian Keegan MP calling on the Government to provide funding in support of apprenticeship schemes beyond 2021.

- 4) Bring a report back to the October 2020 Council meeting on a plan to recruit more apprentices where possible taking into account our financial position and having fully received and understood the governments new policies/directives on apprenticeships.

#### **4.0 Kickstart Scheme Update**

- 4.1 The Kickstart Programme is a £2billion funded Government programme created from the 'A Plan for Jobs' policy, to support unemployed young people into high quality 6 month paid work placements.
- 4.2 The programme enables employers to create new 6 month job placements for young people who are currently in receipt of Universal Credit and at risk of long-term unemployment.
- 4.3 It is 100% funded at National Minimum Wage for 25 hours a week, plus employer NI and employer minimum basic auto enrolment pension provision requirements. In addition, employers receive £1,500 per job placement as setup costs, support and training.
- 4.4 There is an application process for employers and any employer applicant must be able to offer a minimum of 30 job placements over the lifetime of the project, which is anticipated to be 2 to 3 years. If an employer cannot offer 30 placements, then two or more employers can go into partnership and apply together.
- 4.5 As an intermediary applying on behalf of a group of employers, there is an additional one off £300 of funding per placement to support with the associated administrative costs of any such partnership collaboration.
- 4.6 The eligibility is centred on candidates aged 16-24, claiming Universal Credit and at risk of long-term unemployment. Employers will be able to register in September 2020 for money to be paid in Autumn 2020 and beyond. Further clarification is required and has been sought from the Department for Work & Pensions in relation to the employment of those under the age of 18.
- 4.7 The job placements created with Kickstart funding must be new jobs, and must not be to replace existing or planned vacancies. The jobs on offer must be a minimum of 25 hours per week, for 6 months, paid at least National Minimum Wage and should not require people to undertake extensive training before they begin the job placement.
- 4.8 Any training provided by the host employer must include help for the participants to develop their skills and experience, including: support to look for long-term work, including career advice and setting goals; support with CV and interview preparations; supporting the participant with basic skills, such as attendance, timekeeping and teamwork. The full range of training options will need to be explored, however this could include training provided directly by the Council or other local colleges or alternative training providers.
- 4.9 The funding arrangements are such that the intermediary will draw salary costs from the DWP, but reclaim them in three blocks, at two months, four months

and at the end of the six month placement. Consequently the intermediary would need to firstly, fund the salaries for all the placements upfront and distribute to the partner employers to be reclaimed later. Consequently an amount of pump prime monies would need to be identified to enable an application to be made to the DWP and if successful, to commence the programme. Once the monies were reclaimed, additional pump prime monies would be reinvested into the programme to secure another replacement placement until the programme ends.

- 4.10 The DWP expect the window for funding bids to close in December 2021. Bids can be submitted up to this date.
- 4.11 There is a bursary of £1500 available for training and development costs for each Kickstart placement. This is paid to the employer in the first week after confirmation that the placement has commenced. The DWP have confirmed an intermediary can use the bursary to fund a co-ordinator role, however agreement for contribution would have to be reached with each partner before the bid is submitted, the intermediary is also paid £300 per placement for administrative costs – this can also be used to fund job roles to support the scheme. This will however, limit the amount of paid training that can be provided to the candidates.
- 4.12 It is considered that the Council could act as an intermediary for the Kickstart Programme within the Borough, and could offer the opportunity for local businesses to gain from the possibility of a Kickstart placement. As the scheme requires that a minimum number of placements is 30, over the life of the project, some smaller businesses would not be able to part take in this programme without this leadership and support. However by potentially working in collaboration with local businesses, the Council could co-ordinate placements across a number of small businesses whilst at the same time offering placements within the Council's own workforce. It is not possible to confirm, at this stage, the total number of placements that can be supported, nor determine the interest and take up by local businesses. To estimate the share of placements that would be offered within the Council and those hosted by local businesses for costing purposes 60 placements have been anticipated (30 posts with 2 x 6 month placements in each post) that will be available in the Council and hosted by partner businesses in the local community, over a 12 month period. But this is not a final figure and the actual figure may vary significantly when detailed work is completed.
- 4.13 Discussions have also commenced with West Lancashire College regarding the potential for the college Adult Learning facilities to be able to provide the required training that each placement would need. The costs of this are yet to be confirmed.
- 4.14 Given the fact that the minimum number of placements is 30, it would be necessary to set up a Project Management Team with input from various Council services and partner organisations to manage the application process, and to work with local businesses to co-ordinate placements in the local business community. In addition they will also need to assist line managers to manage and supervise a group of young people who are likely to require a high level of support in a workplace setting. It is not possible to absorb this workload within existing Council resources.

- 4.15 It is therefore proposed the Council create a fixed term Kickstart Programme Coordinator, and a fixed term Kickstart Project Support Officer who would act as the Project Administrator as a minimum requirement, to form the collaboration relationships with local businesses, manage the placements, administration and funding requirement of the scheme. It is proposed that this is for an initial 12 month period.
- 4.16 It is anticipated that there will be some clear overlaps in the desired outcomes of the scheme and the More Positive Together Project. Consequently it is anticipated that the team will be based within the More Positive Together team, within the Leisure and Wellbeing Service, however consideration will be given to the long term management arrangements as the MPT external funding concludes in December 2021
- 4.17 Discussions on the details of how the programme will operate are in their early development stage at the moment, and guidance from the DWP is still being written. Given that full details about the grant funding arrangements are also not clear, no firm plans are in progress at this time.
- 4.18 Discussions are also taking place with neighbouring authorities and key businesses to explore partnering opportunities. The DWP have confirmed that they would be happy for WLBC to partner with any neighbouring Councils within Merseyside or Lancs and South Cumbria footprint of the DWP, if the Council sees this as the most effective way of delivering the Kickstart Project.
- 4.19 Given the potential scale of this exciting project, officers are working through possible models of operation and once a firmer picture is known, an update report will be provided to members in due course.
- 4.20 However, in the meantime, it would be advantageous that the Corporate Director for Place and Community be given delegated authority to make whatever operational decisions necessary to facilitate the commencement of this project, including the ability to appoint additional resources in the form of a coordinator and administrative support officer as stated above and partner with any interested organisations or businesses.
- 4.21 It would further be the intention that any person who successfully completes a 6 month Kickstart placement, would be given a guaranteed interview, along with any other suitable candidates, for any new and appropriate apprenticeship opportunities that were to be recruited to within the Council's workforce. They will also be able to apply for any other suitable vacancy within the Council, as part of a normal recruitment process, and gain an interview on merit. If the candidate was successful, consideration could then be given to offering an apprenticeship training programme at that stage, once in post. This would extend to any location that the placement had been undertaken, within the Kickstart collaboration partnership of employing organisations. This offer would be made to any person who had completed a successful placement and had the minimum eligibility criteria for that particular apprenticeship.

## **5.0 Update on Work with the Wider Business Community to provide Apprenticeships**

- 5.1 The Council's Communications and Business Engagement team are working with the Lancashire Skills Hub to support and promote Apprenticeships throughout the Borough. COVID-19 has had a significant impact on Employers and Apprentices; to support those affected, an information portal has been developed by the Lancashire Skills Hub which provides specific information and support as well as a sign posting service to other key partners. The Council will continue to promote this support via its social media channels, business database, and through the Skelmersdale Ambassadors Network.
- 5.2 The Council recently established the West Lancs Skills & Employment Taskforce Group in August 2020; with representatives from the Council and key partners attending. The group supports skills, training & employment opportunities for people in the Borough. Since the start of the COVID Pandemic, Universal Credit Claims from 16 – 24's have risen dramatically and could have a catastrophic impact on this age group.
- 5.3 Whilst exploring further opportunities, the group agreed to also support the Government's Kick Start Scheme.

## **6.0 Update in Letter to the Chancellor, the Right Hon Rishi Sunak MP and Minister for Apprenticeships and Skills,**

- 6.1 A letter has been written and sent to the Chancellor, the Right Hon Rishi Sunak MP and Minister for Apprenticeships and Skills, The Hon Gillian Keegan MP calling on the Government to provide funding in support of apprenticeship schemes beyond 2021.

## **7.0 Update on Plans for Apprenticeships in the next 12 months**

- 7.1 The public-sector apprenticeships target was introduced by government in April 2017 and sets a target for any public-sector employer in England with a minimum of 250 employees to employ an average of 2.3% of their staff headcount as new apprentice starts between 1 April 2017 and March 2021. This means the Council is looking for approximately 12 new start apprenticeships each year.
- 7.2 At 1 September 2020 the Council has 15 current live Apprenticeships ongoing, of which 3 are in the new starter category, others are continuation programmes. We are confident we will reach the government aspirational target, the 2.3% target is averaged over the 3 years.
- 7.3 Of the current 15 live apprenticeships 5 are being undertaken by staff whose age is 25 years and under.
- 7.4 The Council currently has 9 posts designated as apprenticeship posts, which are filled on a rolling basis as each apprenticeship fixed term contract ends. These training Apprenticeship posts are in the Environmental Services, Customer and Corporate Services and Growth and Development Services. The average

duration of an apprenticeship training contract is 12 to 18 months. The other apprenticeships are made up of existing staff taking on apprenticeship scheme training programmes funded from the Apprenticeship Levy.

7.5 In order to proactively encourage an increase in the number of apprenticeship placements available within the Council, each time a post anywhere in the structure is vacant, line managers and Heads of Service are asked to review the structure and consider whether the duties of a vacant post can be redesigned to create an apprenticeship opportunity. This consideration occurs for every vacancy before it is advertised.

7.6 Each current apprenticeship placement has been possible to achieve because line managers have been creative with their existing staffing budgets and designed structures around the creation of apprenticeship posts, recognising the value this adds.

7.7 It should be noted that each apprentice must devote 20% of their working time to training, so any apprenticeship placement will provide 80% of a full time post in work capacity to any team.

7.8 However, in the coming months there are plans to increase the apprenticeship cohort by the following new apprenticeship posts:

2 x Customer Services Specialists

1 x Junior Digital Content Producer – HR (after 1.4.21)

7.9 One of the requirements of the Apprenticeship programme, is equal opportunity in relation to applicants. So it is not possible to limit applications for apprenticeship programmes to a particular age group. However, linked to the Kickstart Programme, we are seeking guidance about whether it will be possible to offer a guaranteed interview to anyone who successfully completes the Kickstart Programme, with the Council or one of our partner organisations within the Kickstart collaboration agreement. If we are able to facilitate this, as we do with the Disability Confident interview guarantee scheme for people with disabilities, this should help to open opportunities for younger people to at least be given an interview and demonstrate their new found skills in a live job market situation.

7.10 Despite us not being able to exclusively issue positive action recruitment to young people, the HR team do encourage take up of apprenticeship vacancies for young people by the following activities:

- Vacant apprenticeship posts are advertised by the training provider and shared by colleges and universities, maximising exposure to young people in education.
- The Council attended an apprenticeship event run by West Lancs College where members of the community could access information about apprenticeships.
- The Council also had a presence at a careers event run by West Lancs College which was aimed at promoting apprenticeships to young people who went to Schools in West Lancs. We also attended a carer's event at St Peters School, Orrell, by request.
- At these career events the Council encouraged its younger apprentices to act as ambassadors to promote that the Council are interested in employing young people, through their role modelling.

- Apprenticeship adverts are also placed on the National Apprenticeship Service Website, which is heavily promoted to young people.
- Apprenticeships are advertised on the Governments Redundancy Support Service portal which has been created to help apprentices be able to continue with their apprenticeships if they have been made redundant because of COVID-19.
- The Council promotes the internal Ambassador network encouraging our young people to help other young people.
- The Council has developed videos which have been shared on our social media portals, showcasing our apprentices, and we have encouraged our younger apprentices to role model in these productions.
- The Council has started to develop our recruitment website to use images of young people on the recruitment pages and this will be improved further.

7.11 The Apprentice Levy funds the training costs of Apprenticeship programmes. The funding is made up of a monthly levy paid to HMRC calculated on the basis of 0.5% of the pay bill, plus a government 10% top-up on this amount. All funds that appear in the apprenticeship levy fund expire 24 months after they appear in the account, if not already spent. This is calculated on a month by month basis.

7.12 If the Council spends all the Apprenticeship levy, but still wishes to provide additional Apprenticeship training, the Government will contribute 95% of the cost of the Apprenticeship training programme costs, but require the Council to fund the remaining 5% of the training costs from its own budget.

7.13 There are further planned Apprenticeship commitments in the following areas, subject to final contracts, and confirmation of manager for staff attending the programme, which will be a mixture of new posts, and existing staff taking on apprenticeship programmes:

- 11 x Management Apprenticeships (existing staff)
- 13 x Aspiring Team Leaders (existing staff)
- 12 x Coaching Apprenticeships (existing staff)
- 2 x Customer Services Specialists (new vacancies noted in 7.8 above)
- 1 x Procurement (existing staff)
- 9 x Facilities Service Operatives (8 existing staff and 1 new vacancy)
- 1 x Junior Digital Content Producer (new vacancy noted in 7.8 above)
- 1 x HR Support (existing staff)

7.14 With the planned apprenticeships and existing budget commitments, it will be necessary for all future requests for apprenticeships to include a commitment of a 5% contribution from local training budgets to assist with funding.

7.15 More recently the government has also introduced incentive funding to assist in the creation of new apprenticeship opportunities following the COVID Pandemic, which will mean that the Council will be able to claim this payment for any apprentice, who is a new employee to the business and who meets the specified criteria. The criteria is that the apprentice has a start date between 1 August 2020 and 31 January 2021 (inclusive) and who was not employed by the employer within the six months prior to the contract start date, will be able to



claim additional funds. For apprentices aged 16-24 the payment will be £2,000, and for apprentices aged 25 or over the payment will be £1,500.

- 7.16 There is also an additional payment of £1000 for pastoral support paid to employers who take on a 16-18-year-old apprenticeship to help meet the extra costs associated with additional support for a worker within this age group. This is ring fenced for that apprentice only.
- 7.17 Employers who train an apprentice who is aged 19-24 who has previously been in care or who has a Local Authority Education, Health and Care plan, will receive an additional £1,000 to help with these additional costs in the same way as the payment for 16- 18 year olds. This is ring fenced for that apprentice only.
- 7.18 For the Council, this new incentive payment will be available for two new starters at this time. Any additional younger worker bonus or taking on a young person formerly in care, will be dependent upon who is successful in obtaining the new posts.
- 7.19 The Council is doing a significant amount of work at present to increase the take up of apprenticeships for young people. In order to increase the availability of more apprenticeships within the Council for young people, the Council would require additional budget commitment to fund the annual salary costs including on-costs together with a 5% contribution to their training cost as outlined in 7.14.

## 8.0 SUSTAINABILITY IMPLICATIONS

- 8.1 There are no significant sustainability impacts associated with this report and, in particular, no significant impact on crime and disorder.

## 9.0 FINANCIAL AND RESOURCE IMPLICATIONS

- 9.1 Although the Kickstart Programme is fully funded and the net cost to the Council for running it will be as noted below, there are also some financial/resource implications arising from this report due to the timing of receiving funding.
- 9.2 Table 1 details the Annual Costs and Financing assuming the minimum of 60 placements are included in the programme within a 12 month period.

<b>Staff Costs</b>	
1 x Kickstart Programme Coordinator, SO1	37,300
1 x Kickstart Programme Support Officer, Scale 5	30,700
<b>Other Costs of Scheme</b>	40,000
including support and training, etc.	
<b>Annual Cost of Running Kickstart</b>	<b>108,000</b>
<b>Financed By:</b>	
<b>Admin Cost Support</b>	-19,000
60 placements x £300	
<b>Set Up Cost Support</b>	-90,000

£1,500 per job placement for support and training 60 Placements x £1,500 per year	
<b>Annual Support Funding</b>	<b>-108,000</b>
<b>Cost of Placements</b>	<b>408,100</b>
60 x National Minimum Wage at 25 (£6,800) (25hrs/wk contract)	
<b>Financed by:</b>	
MHCLG Funding	<b>-408,100</b>

9.3 The costs of the Co-ordinator and Support worker, are anticipated as being able to be funded from the £1,500 support and training fee provided with each placement. However, the £1,500 per placement is payable in arrears and so pump prime monies would need to be available to fund this initially and be reclaimed once the £1,500 per placement was received. If the Programme continues beyond year one, then additional resources would need to be considered.

9.4 In relation to the pump prime funding for the placements, an initial figure of £3,400 would need to be available for the first 3 months which is also reclaimed in arrears.

## 10.0 RISK ASSESSMENT

10.1 The actions referred to in this report are covered by the scheme of delegation to officers and any necessary changes have been made in the relevant risk registers.

10.2 The risks associated with the Kickstart Programme is ensuring that the Councils can facilitate the minimum of 60 placements in order to contribute to funding the associated officer posts in year one. There is further potential risk with any bursary shortfall associated with any failed placement or placement attrition that may affect support funding being provided to the Council. There is also a piece of work required to ensure all employer partners have an equal contribution to the coordinator from their individual £1500 bursaries.

10.3 There will be increased HR resources implications linked to the facilitation of wage payments to Kickstart partner organisations. No guidance from the DWP so far on how this will transpire.

10.4 The proposed management arrangement for Kickstart include alignment with the MPT programme due to the previously highlighted synergy, however at present the external funding element of the MPT project is currently due to conclude in December 2021.

## 11.0 HEALTH AND WELLBEING IMPLICATIONS

11.1 The proposal will impact positively on *the promote good health and wellbeing and enable people to flourish; Empower people in vulnerable, deprived and*

*disadvantaged communities to realise their full health potential; encourage and enable all people to take a role in identifying and addressing barriers to improve health and wellbeing; and increase people's independence throughout their life course and ability to lead full active lives.*

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### **Background Documents**

There are no background documents (as defined in Section 100D (5) of the Local Government Act 1972) to this Report.

### **Equality Impact Assessment**

There is a direct impact on members of the public, employees, elected members and / or stakeholders, therefore an Equality Impact Assessment is required. A formal equality impact assessment is attached as an Appendix to this report, the results of which have been taken into account in the Recommendations contained within this report

### **Appendices**

1. Equality Impact Assessment