

Kickstart Scheme

To: Business Board

Meeting Date: 10 November 2020

Public report: Yes

Lead Member: Austen Adams, Chair of the Business Board

From: John T Hill, Director of Business and Skills

Key decision: Key Decision for Combined Authority Board on 25th November 2020

Forward Plan ref: 2020/066

Recommendations: The Business Board is asked to:

Recommend the Combined Authority Board:

- a) Approve the Business Growth Service to act as a Gateway Organisation to administer the Kickstart Scheme for the Cambridgeshire and Peterborough area; and
- b) Approve the Business Growth Service as the primary referral partner for any Kickstart requests via the CPCA.

1. Purpose

- 1.1 The Kickstart Scheme was launched in September 2020 as an intervention to support economic recovery and offer young people the opportunity of gaining valuable work experience via a 6-month placement.
- 1.2 The Business Board are being asked to recommend that the Combined Authority Board approve the request for the Business Growth Service to act as a Gateway organisation and CPCA primary referral partner for the Kickstart Scheme.

2. Background

- 2.1 As part of the “Plan for Jobs 2020” speech, the Chancellor announced the £2bn Kickstart Scheme, a jobs creation programme with the intention of creating up to 350,000 jobs for young people.
- 2.2 The scheme is a Department for Work & Pensions (DWP) initiative offering six-month high-quality work placements designed to get long-term unemployed young people, aged 16-24 into employment and gaining valuable work experience with the ambition of ongoing sustainable employment.
- 2.3 Businesses in the area can access resource at little or no cost to themselves which will support their economic recovery whilst offering support to a young person displaced by the pandemic. The scheme was launched in September 2020 and is set to run for 12 months
- 2.4 Employers can bid for funding based on offering 30 placements. Where individual organisations cannot offer 30 placements, they are being directed to Gateway Organisations who will coordinate placements and tender for funding in batches of 30.
- 2.5 DWP are encouraging organisations who have experience of managing partnership arrangements and have robust financial and governance structures to play a coordinating role as a Gateway Organisation to support the initiative.
- 2.6 To ensure a coordinated regional approach it is proposed that the Growth Hub acts as a representative organisation via the Business Growth Service. This aligns with BEIS strategic desire that Growth Hubs are used as the main touchpoint for regional businesses and a visible conduit for business engagement
- 2.7 Initial engagement with Local Authorities, Chamber of Commerce and FE Colleges confirm that local partners are supportive of a central and coordinated role being played by the Growth Hub via the Business Growth Service in becoming a Kickstart representative for Cambridgeshire & Peterborough.

3. Significant Implications

- 3.1 Without a coordinated approach, the CPCA risk having multiple representatives across the economy, of sub-critical size individually and of variable capability. This might give rise to reputational risk for the programme and the CPCA due to varying levels of service offered and the potential of delaying applications to the scheme if the approach is uncoordinated and cannot flex resource across a larger team to meet peaks in demand.

- 3.2 Due to the timing of the launch of the Business Growth Service, it is recommended that all Kickstart finances are channelled through this route rather than via the CPCA to reduce the time it would take for funding to reach the employing organisations.

4. Financial Implications

- 4.1 Administering the Kickstart Scheme will require funding to be passed through the Business Growth Service from DWP to the organisation hosting the placement.
- 4.2 Payment profiles are still at policy stage with DWP; however it has been confirmed that wages will be paid by the employer and claimed back in arrears via the gateway organisation.
- 4.3 Funding for the Scheme is paid as follows:

Activity Per Placement	Received	Amount
Start Payment - onboarding, training etc.	Month 1	£1,500
Gateway Organisation Payment	Month 1	£300
25 hours per week @ National Minimum Wage for 6 months	TBC – in arrears	max £5330

- 4.4 To ensure payments can be made in a timely manner, it is proposed that all funding runs via the Business Growth Service directly and not the CPCA in the first instance.
- 4.5 Regionally, there is the potential of securing 700 placements. Kickstart could potentially generate revenue of £472,500 p.a, which would fund a team of sufficient critical mass. The team would be able to operate locally in each city and town (with team members assigned to each of our 6 local authority areas) but work as a coordinated team to share best practice and resource to meet the demand presented in each area.
- 4.6 At present, Growth Hub funding runs through the CPCA and used to facilitate the operation of the Growth Hub, Once the Growth Hub is assigned to the Business Growth Service, the funding will be passed onto the delivery partner via the Business Growth Service. This transfer of funding will lead to delays in passing monies to the employers however.
- 4.7 It is proposed that once the delivery of the Growth Hub is transferred to the Business Growth Service and is operated by the delivery partner, Kickstart Funding would be better placed to run directly to BGS rather than via the CPCA to ensure monies are passed to participating businesses in a timely manner.
- 4.8 Should this proposal be agreed, this will result in there being no financial implications for the CPCA as there will be no inflow or outflow of funding.

5. Legal Implications

- 5.1 There are no legal implications