

Project Mandate



Purpose – To capture basic information about new project proposals for approval through MTFS spend controls. Applicable to all revenue and capital proposals, regardless of funding source or budget availability

When to use this document – As early as practical in the consideration of new LCC projects

- 1) Idea appraisal - minimise feasibility work/option appraisal until some certainty that scheme will proceed
- 2) Post feasibility

Approach – The level of detail should reflect the level of investment sought and the risk being borne

Proposal Name	Kickstart Scheme participation
Aims and objectives	<p>Please explain why this project is needed?</p> <p>The impact of the Covid-19 pandemic is unprecedented, unlike other economic shocks, it is ongoing and volatile with the likelihood of repeated lockdowns giving rise to high levels of uncertainty.</p> <p>It has been widely recognised that young workers (aged up to 25) are likely to be disproportionately disadvantaged by any downturn in the economy. They are the highest percentage of claimants by age group, and young women are particularly disadvantaged as they are more likely to work in hospitality or retail. This age group is likely to be the hardest hit for several reasons including missing education, reduction in apprenticeship opportunities, a more competitive labour market and lack of workplace digital skills.</p> <p>In March 2020, 2,950 claimants in Leicester and Leicestershire were aged 18 to 24. This is a claimant rate of 2.6%. By October this had risen to 7,220 (6.4%). This is an increase of 4,270 claimants or 145%. This compares to a claimant rate of 5.2% across all age groups (2.1% in October 2019).</p> <p>In September 2020 the UK government launched the Kickstart Scheme in response to the threat of increasing unemployment levels, particularly affecting young people, as a result of the Covid-19 pandemic.</p> <p>The Council has been considering its role in supporting economic recovery following the impact Covid-19, both from an internal and county wide perspective, and consider that Kickstart will be a valuable vehicle to mitigate against the potential damage to the long term employment prospects of young people, particularly those that are vulnerable or face additional challenges.</p> <p>How will it link to the strategic outcomes of the Council?</p> <p>Strong Economy</p> <p>Contributes directly to the sub-outcome ‘Leicestershire has a highly skilled and employable workforce’ by providing placements that enable participants to benefit from six or twelve months of work experience supported by employability training. There is an additional commitment to provide a clear pathway to ongoing opportunities via paid employment, apprenticeships, further training or volunteering roles.</p>

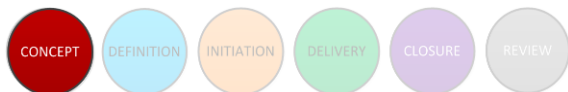
Project Mandate



	<p>Wellbeing and Opportunity Supports sub-outcome ‘Everyone is able to aim high and reach their full potential’ by working with those at risk of long-term unemployment, enabling them to take up work opportunities and increase their employability skills.</p> <p>Keeping People Safe Opportunities would be actively sought to provide placements that support the council’s objectives around developing a green economy and achieving carbon neutrality across Leicestershire by 2050. This would also support the sub-outcome ‘People act to protect and enhance the environment for current and future generations’</p> <p>How does this project contribute to LCC’s strategic change agenda (i.e. Financial Sustainability, Ways of Working, Carbon Neutrality or Digital)? LCC’s strategic change agenda aims to ensure that the authority is lean and working smartly to meet future obligations and to continue to deliver high quality services to the people of Leicestershire. The Kickstart scheme provides young people across Leicestershire, particularly those that are most vulnerable and at risk of long term unemployment, with an opportunity to meaningfully contribute to strategic aims through supporting delivery across a range of LCC services.</p>
<p>Proposal <i>Outline the expected approach to delivering the project, including likely options</i></p>	<p>The Government’s Kickstart Scheme provides funding to create new job placements for 16 to 24 year olds on Universal Credit who are at risk of long term unemployment. Employers of all sizes can apply for funding which covers:</p> <ul style="list-style-type: none"> • 100% of the National Minimum Wage¹ (or the National Living Wage² depending on the age of the participant) for 25 hours per week for a total of 6 months • Associated employer National Insurance contributions • Employer minimum automatic enrolment contributions <p>There are 2 ways in which employers can engage with the programme:</p> <ul style="list-style-type: none"> • Larger organisations, with a minimum of 30 job placements can apply directly • Those with fewer placements can engage through a Kickstart Gateway (typically a local authority, trade body or charity) that will support applications from multiple companies. Gateways will receive £300 per placement to cover admin costs. <p>For each job placement employers must help the young person become more employable. This could include:</p> <ul style="list-style-type: none"> • looking for long-term work, including career advice and setting goals • support with curriculum vitae (CV) and interview preparations • developing their skills in the workplace <p>A payment of £1500 per placement is provided to support development of employability skills.</p> <p>Leicestershire provision There are several organisations offering to act as a Kickstart Gateway across Leicestershire and the wider East Midlands, including district councils, FE colleges and East Midlands Chamber and high levels of interest from companies has been reported. Each Gateway is</p>

¹ From Apr 2021 - £4.62 (under 18), £6.56 (18-20) or £8.36 (21-22). Reviewed annually in April.

² From Apr 2021 - £8.91 (23+). Reviewed annually in April.



working closely with companies to support their recruitment and employability skills delivery.

LCC is well placed to provide internal placements and could focus on offering opportunities to those with specific needs such as care leavers or those with disabilities. As a large employer a range of roles could be offered requiring different skill sets. A key part of the scheme concerns ensuring participants skills and employability increase during the placement period. This would be supported by Leicestershire's Adult Learning services (LALs). The training would support development of viable exit strategies either within LCC or externally, for example, through apprenticeships.

As providing line management to placements of this nature can be challenging – particularly if working remotely – additional training should be provided to those taking on this role. This will improve the skills and increase the experience of managers responsible for managing Kickstart participants. A mechanism to support manager networking (actual or virtual) will be developed to provide peer learning and support opportunities.

Partnership approach and extended provision

Discussions have been held with Leicester City Council and Leicestershire Enterprise Partnership (LEEP) regarding a joint Gateway provision (supporting both internal and company placements), enabling a co-ordinated response and providing additional value to participants. Discussions with CMT have considered LCC providing funding up to the value of £250,000 to support Kickstart in Leicestershire. A decision has yet to be taken on sources of LCC funding, but consideration will need to be given as to whether departments contribute proportionately according to the number of placements they receive. It should also be noted that payments from DWP are received in arrears, triggered by submission of evidence of PAYE payments to participants.

Leicester City Council are also looking at providing up to £250,000 of funding to support placements within the city council. Leicester and Leicestershire Enterprise Partnership (LEEP) have committed to match funding the local authority contributions, with up to £500,000 to support 90 Kickstart placements in city and county SME, extended to 12 months.

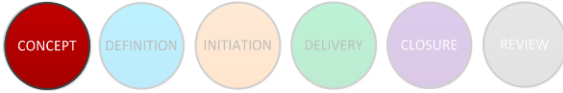
LCC could choose to deliver Kickstart placements as defined by the national scheme, but by committing to providing additional funding there are several ways in which LCC could enhance the support provided to participants;

- **Option 1 – Providing placements in line with the government scheme**

Internal placements operating as specified by government – 6 months support at appropriate minimum wage level with employability support provided. As the national scheme provides pension contributions in line with auto enrolment requirements, additional costs would be incurred to bring provision in line with LGPS employer contributions.

- **Option 2 – Extending placements for an additional 6 months**

Extending the placement period, resulting in an overall 12 month placement for participants, would provide additional security for the participant and a longer period in which to gain from the experience and develop their skills. A similar programme delivered by Leicester City Council from 2013-15 created 258 jobs of which 75% of participants did not return to claiming benefits. The extended duration of placements was seen as particularly valuable.



- **Option 3 - Extending placements for an additional 6 months, whilst also increasing hours to 37 per week for the full 12m duration**

LALS proposes 25 hours of work placement with additional time for training contributing to a full time working week for participants. There would be a significant cost in taking this approach (assuming that participants were paid for the time spent training). A 25 hour week which included the training provision would reduce costs and potentially benefit line managers who would be under less pressure to productively fill the time of participants with limited working experience, working remotely and potentially facing other challenges.

- **Option 4 - Extending placement for an additional 6 months but paying the real living wage (£9.50ph) for all participants, for the full 12m duration**

An option being considered by Leicester City Council is to pay participants the real living wage. This approach is likely to make participants feel more valued as a significant member of their team.

Options 2-4 above, extending the placement to 12 months, provides added value to participants and an additional incentive to secure a placement at LCC. In addition to increased security it ensures that a greater range of support offers, delivered to greater depth, can be provided.

Leicester Employment Hub, an EU ESF funded project of which LCC are a partner, would act as the Kickstart Gateway for LCC and Leicester City and could bid to manage the LLEP funded SME participants. Through the partnership approach LCC would work closely with the Employment Hub in identifying and supporting county businesses participating in the scheme and would be influential in deciding which applicants would benefit from the extension to 12 months supported by LLEP funding. The employability support services provided internally would be offered to local SME and focus could be given to; key sectors where strong growth is forecast, geographies where youth employment is particularly affected or companies where there are clear plans in place in support of carbon reduction.

Other advantages of this joint approach include;

- A clear and consistent offer across city and county boundaries
- Ability to attract additional funding via the LLEP
- A compelling offer with differentiation from other local providers
- Shared management and administration resourcing through the Leicester Employment Hub
- Shared branding and promotion

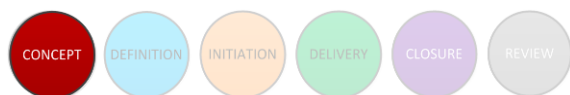
LCC placements

The County Council's internal placements could be distributed across Departments according to headcount unless otherwise agreed. This would generate placements as follows;

Adults & Communities - 5
 Children & Family Services - 4
 Environment & Transport - 3
 Corporate Resources - 2
 Chief Executive's - 1

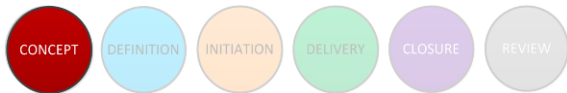
In line with the Council's aims of supporting those in our community that are disadvantaged, we would, as outlined above, aim to encourage applications from those

Project Mandate



	<p>who may require additional support to gain employment, for example, care leavers or those facing other barriers to work. Care would need to be taken to ensure participants are carefully supported (particularly if working remotely) with work at an appropriate volume that provides meaningful new skills and experience. Extra support may be required for some participants for example, additional equipment or a personal work coach/mentor. There may be an increased risk that participants with additional barriers to work are unable to successfully complete the placement and recording issues and successful support mechanisms as they arise will form a valuable body of lessons learnt as the scheme progresses.</p> <p>It should also be noted that the scheme requires that placements are ‘new jobs’ – neither replacing existing or planned vacancies or causing existing employees, contractors or apprentices to lose work or reduce their hours. Careful consideration will need to be given to how to address this requirement, without increasing headcount at a time when financial pressures are increasing. Options may include considering roles which address specific time limited activities or short term capacity issues. Line managers should then consider building in activities which open up opportunities to secure longer term or permanent employment through, for example, access to internal vacancies or apprenticeships.</p>
<p>Anticipated Benefits <i>Please specify which service areas will benefit and projected timeframe</i></p>	<p>Financial Benefits <i>(please specify if these will be cashable and key assumptions):</i> The scheme’s aim is not to deliver financial benefits, rather it provides a service to local 18-24 year olds to provide employment, developing working experience and improving employability skills.</p> <p>Participants receive 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.</p> <p>LCC as employer would receive employer National Insurance contributions and minimum automatic enrolment contributions for each participant.</p> <p>In addition, employers will also receive £1,500 funding per job placement. This is for setup costs and to support the young person develop their employability skills and can be split between the employer and (if applicable) Kickstart Gateway.</p> <p>Non-Financial Benefits: Participants will benefit from an opportunity to gain additional work experience, increase their employability, earn a salary and identify suitable next steps.</p> <p>Service departments will benefit from the additional resource provided by the placement and increased people management experience for line managers.</p> <p>More broadly, the county will benefit from raised skill levels in participants and a reduction in Universal Credit claimants. It would be anticipated that, given the right level of support and guidance through their placements, the majority of those taking part in the scheme will go on to further training or work, ultimately securing permanent positions. This potentially results in significant personal gain for individuals and a long term positive impact through a reduction in use of council and other services and financial support over the course of a working lifetime.</p>

Project Mandate



Approvals limits – please circle	
<£50k	DMT + Finance and Transformation Business Partners
£50k - £100k	per above + CT/DK/NW
£100k +	per above + CMT (or Transformation Delivery Board)

Mandate Completed by: Rebecca Littlewood

Date: 17 December 2020

Reviewed and Approved by Senior Responsible Officer:

Date:

Reviewed and Approved by:

Date: