

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

4015

Author:

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Department:

Development and Growth

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Subject:

Nottingham City Council and the Kickstart Programme

Total Value:

Up to £440,000 (Type: Revenue)

Decision Being Taken:

Subject to a successful application for funding to the Department for Work and Pensions (DWP):

- 1) To accept Government funding to act as Representative for local small and medium-sized enterprises (SMEs) on the Kickstart programme, from 1 October 2020 and 31 December 2021.
- 2) To accept Kickstart salary funding on behalf of local employers and to pass this on to them in three retrospective allocations, after 2, 4 and 6 months, to a maximum of £8,000 per placement.
- 3) To delegate authority to the Director of Economic Development to enter into an agreement with the DWP and utilise the funding for the management and administration of the Kickstart programme and related Employment and Skills activities. This expenditure may include the appointment of an additional member(s) of staff through a future decision, but only if this is warranted by placement demand and if the income to pay for the salary is generated.

Reasons for the Decision(s)

A decision is required to authorise the budget and agree the role the Council will play on the newly announced Kickstart employment scheme for young people aged 16-24. Unemployment in Nottingham has increased by 126% in Greater Nottingham since August 2019 and, due of the current pandemic, most of the increase has been since March 2020. Young people in particular have been disproportionately affected and, on 2 September, the Government launched the Kickstart programme to help 16 to 24-year-olds find employment.

The Kickstart programme is a £2billion fund to create hundreds of thousands of high quality 6-month work placements (at a minimum of 25 hours per week), aimed at those aged 16 to 24 who are on Universal Credit and are deemed to be at risk of long-term unemployment. SMEs that have less than 30 work placements available will need to go through an intermediary/representative organisation to access the funding. They will be paid £6,500 per placement, plus £1,500 to provide support and training. This will cover national minimum wage salary costs, plus the employer's national insurance contributions. Intermediary organisations will process the payment and make three equal payments to the SME after 2, 4 and 6 months. For this service, Intermediary/Representative organisations will receive £300 per placement. The job placements created with Kickstart funding must be new jobs. They must not replace existing or planned vacancies, or cause existing employees or contractors to lose or reduce their employment.

It is important for the Council to apply to be part of the Kickstart initiative for the following reasons: 1) It will ensure that young people and SMEs in Nottingham get access to this funding and support. 2) It will be cost-neutral for the Council and may even generate a small surplus. 3) It will largely be 'risk free' for the Council, as the £300 payments will be made once the placement is secured, and the Council will not be making any upfront payments. 4) It will enhance our existing employment and skills provision provided by the Nottingham Jobs Hub, European Social Fund projects and our community partners, and provide a more effective route into work for new and existing participants. 5) It will encourage employer engagement and increase the support the Council is able to give to struggling local businesses.

Other Options Considered:

Not to apply to be a Representative on the Kickstart scheme: by not applying, the Council would not be able to draw down the funding for the Kickstart scheme and, potentially, up to 400 young people would not be able to get access to job placements, most of whom will be in Greater Nottingham. Additionally, if the Council does not become an Intermediary, then a potential income of £120,000 would be lost and we would not be able to enhance our employer engagement and support service. For these reasons, this option was rejected.

Background Papers:

None

Published Works:

None

Affected Wards:

Citywide

Colleague / Councillor Interests:

None

Consultations: Those not consulted are not directly affected by the decision.

Crime and Disorder Implications: The primary objective of the Kickstart programme is to support young people who are not in education, employment or training (NEET) into a 6 month job placement. This will particularly help those young people who face multiple barriers to work, such as those who are at risk of / involved in gang related activity, ex-offenders and those with health issues. By engaging with young people who are NEET and from vulnerable groups, the programme will reduce the potential for them to become involved in crime or anti-social behaviour by providing them with opportunities for employment. The programme will also provide young people with more opportunities to start pre-employment training, traineeships and apprenticeships.

Equality: EIA not required. Reasons: The decision does not represent changes to a policy, service or function. The criteria and eligibility for the Kickstart programme are determined by DWP, which requires that all of their programmes prevent discrimination based on gender, sex, racial or ethnic origin, religion, disability, age or sexual orientation, and ensure accessibility for persons with disabilities.

Decision Type: Portfolio Holder

Subject to Call In: Yes

Call In Expiry date: 15/10/2020

Advice Sought: Legal, Finance

Legal Advice: If the application for Kickstart funding from the Department for Work and Pensions (DWP) is successful, the Council will be required to comply with grant funding conditions in order to receive such funding, which will be set out in a funding agreement and/or offer letter from the DWP.

Advice provided by Sarah O'Bradaigh (Senior Solicitor) on 29/09/2020.

Finance Advice: The Council will act as the Intermediary/Representative organization for small and medium-sized enterprises (SMEs) in Nottingham that have less than 30 placements available. The team in Economic Development (ED) already have experience of similar schemes and have the resources to undertake this role. The team in ED will claim the money for placements and this will include the £300 per placement for which the Council is eligible to keep for administration costs. The money will be claimed, and funding received in advance of any payments made out for job placements, so this will have no adverse impact on the Council. It is not known how many placements will be made, but both the volume and the income will be monitored to ensure that there remain sufficient resources. There is a designated officer who is responsible for managing this programme and the funding. The value of the decision reflects the total placement value, and not the amount to be retained by the Council.

Advice provided by Susan Tytherleigh (Senior Finance Manager) on 24/09/2020.

Signatures

Neghat Khan (PH Employment and Community Protection)
SIGNED and Dated: 08/10/2020
Chris Henning (Corporate Director for Development and Growth)
SIGNED and Dated: 08/10/2020