

MAKING SURE KICKSTART WORKS

October 2020

Learning and Work Institute

Patron: HRH The Princess Royal | Chief Executive: Stephen Evans
A company limited by guarantee, registered in England and Wales
Registration No. 2603322 Registered Charity No. 1002775
Registered office: 4th Floor Arnhem House, 31 Waterloo Way, Leicester LE1 6LP



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Published by National Learning and Work Institute

4th Floor Arnhem House, 31 Waterloo Way, Leicester LE1 6LP

Company registration no. 2603322 | Charity registration no. 1002775

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Executive summary

Young people face a double whammy of disrupted education and challenging labour market. The number of young people claiming unemployment-related benefits has more than doubled since the start of the coronavirus crisis.

Kickstart is an important and welcome scheme to help tackle this. However, its design and delivery will be crucial in determining its success: we need a clear overall offer, to act at scale, and ensure quality and reach. Doing all of this at the same time and at speed is challenging.

Our experience tells us there are five key success factors to make Kickstart a success:

1. Youth Guarantee. All young people are different and it is important we tailor support to their needs and career goals. Kickstart should be part of an overall offer geared at ensuring all young people are offered a job, training place or apprenticeship. This requires proactive work to reach young people and joined up working. The education and employment options young people are offered should be focused on their needs, and not be determined by the agency or provider they engage with.

2. Volumes. We need a large number of Kickstart jobs with a wide geographic and sectoral split. That requires a simple application process for employers, widespread awareness and engagement campaigns, and a locally coordinated employer offer. Local government can play a leading role in this.

3. Targeting. Young people who can benefit from a Kickstart job should be able to access one. That requires clear entry criteria and guidance for Work Coaches to identify those at greatest risk of long-term unemployment; and discretion for partners such as local authorities to refer young people who are out of work but not on benefits. Young people should have a clear choice and selection process for Kickstart roles.

4. Quality. Kickstart jobs will only benefit young people if they are high quality. That requires DWP, local government and gateway organisations to set out clear standards and guidance, and employers to invest their time to ensure a successful role.

5. Outcomes. The focus must be on sustainable employment. This requires high quality training and job search support throughout, with a job search action plan for those without a job at the end of their role, and a focus on progression to apprenticeships.

The success of Kickstart will depend on a partnership between employers, civic society, colleges and providers, and local and national government.

The number of Kickstart jobs is one measure of success, but ultimately the point of the programme is to increase the likelihood of young people being in work and contribute to all young people being in education or employment. This requires a relentless focus on getting the right support to every young person that needs it.

The case for Kickstart

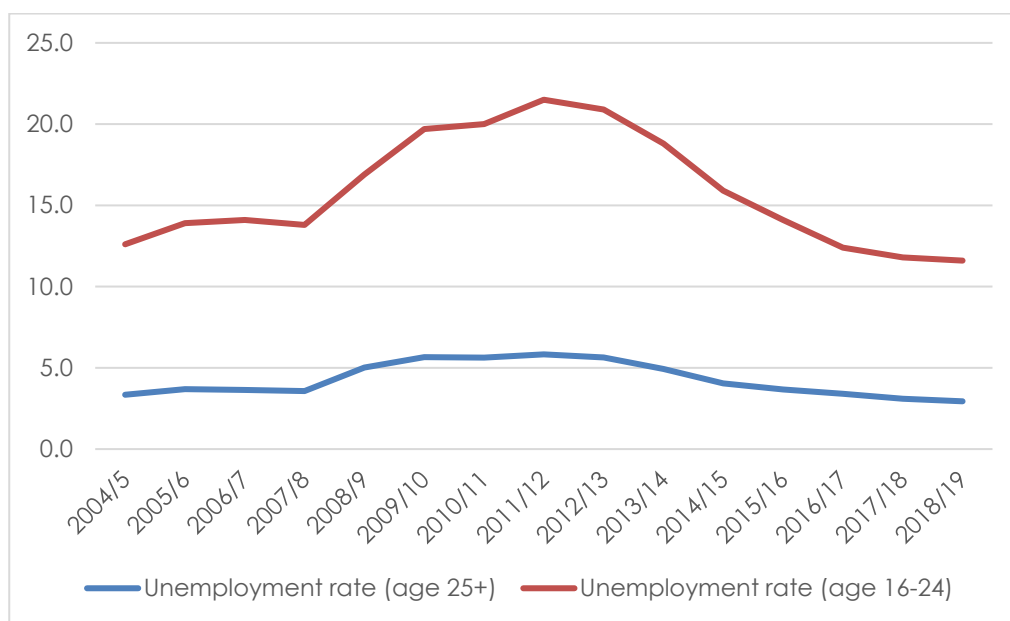
The coronavirus pandemic has triggered a labour market crisis which is hitting young people hard. Kickstart – a centrepiece of the Government’s ‘plan for jobs’ – will cover the wage costs of employing a young person for 25 hours per week for six months, with Jobcentre Plus matching young people they believe will benefit from the scheme with a subsidised job.

This briefing builds on evidence of previous schemes – including the Future Jobs Fund which was introduced following the last recession – to set out recommendations for the design and delivery of Kickstart.

Why Kickstart is needed

Young people face a significant risk of unemployment during recessions. As figure 1 below shows, during the last recession, youth unemployment peaked at 21.5%, nearly four times higher than unemployment for those aged 25 and over (5.8%).

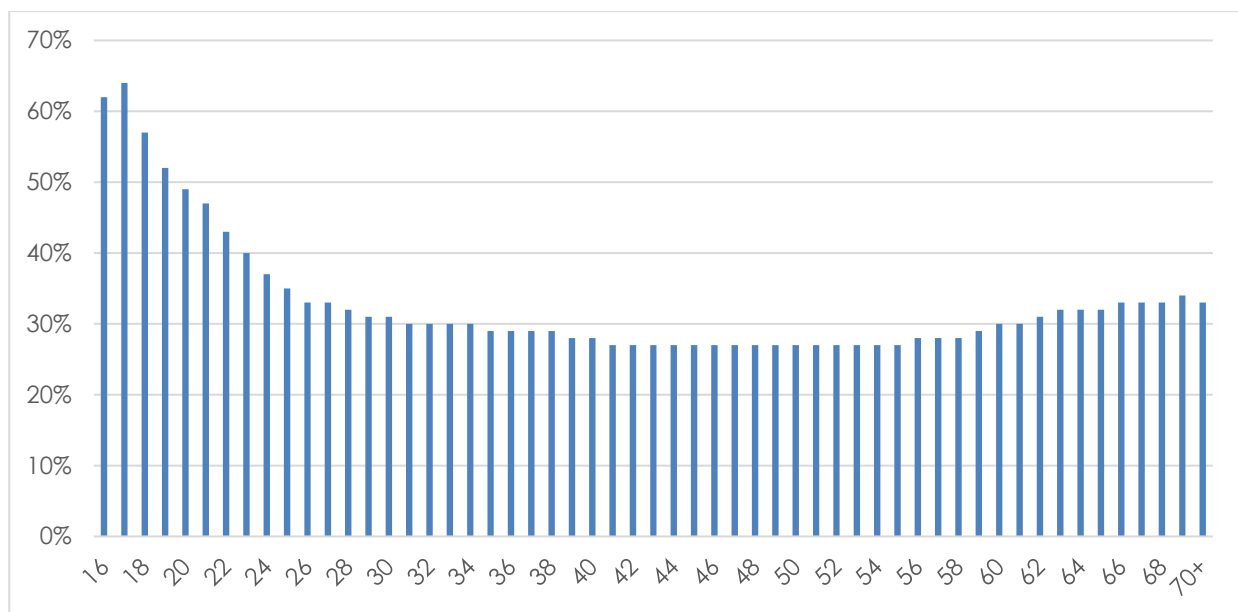
Figure 1: Youth unemployment rate during the last recession



Source: ONS annual population survey

There are signs that young people will be hit hardest by the current crisis too. The youth claimant count increased by 124% between March and August. In total, 1.9 million young people aged under 24 were furloughed at some point. This means that nearly half (47%) of eligible jobs among this age group have been furloughed, compared to less than one in three (29%) of those aged 25 and over. While furlough use has fallen over time, there is a risk of a substantial further rise in youth unemployment as the Coronavirus Job Retention Scheme ends, despite the new Job Support Scheme. In addition, young people leaving full-time education face a double whammy of a disrupted education and challenging labour market.

Figure 2: Proportion of eligible employments furloughed by age



Source: [HMRC](#)

There is extensive evidence of the damaging impacts of long-term unemployment on young people. Being unemployed when you are young can have lasting ‘scarring’ impacts in later life, including a higher risk of unemployment, lower pay, poorer mental health, and diminished life chances ([Strandh et al 2014](#), [Bell and Blanchflower 2011](#), YEG, 2020).

Given the higher risk young people face from unemployment – and the lasting damage that youth unemployment can cause – averting a youth employment crisis must be a central priority for government.

Kickstart

The Chancellor Rishi Sunak MP unveiled Kickstart as the centrepiece of the Government’s ‘plan for jobs’ in July. The [scheme](#) was launched for applications from employers in early September 2020 with the first jobs expected from November.

Kickstart will fund jobs for six months for young people aged 16-24 who are on Universal Credit and at risk of long-term unemployment. Employers will receive a subsidy, equivalent to 25 hours a week on the relevant minimum wage, plus the associated National Insurance contributions and pension autoenrollment contributions. The Government will also pay employers £1500 for support and training for people in a Kickstart job, as well as helping pay for uniforms and other set up costs. The scheme is funded by an initial £2 billion, but with no cap on the total number of job opportunities. Employers offering fewer than 30 roles will be asked to make a bid through a gateway organisation, such as a Local Authority or Chamber of Commerce, who will then bid for 30 or more jobs as a combined bid from several businesses.

The evidence shows that subsidised wage programmes, such as intermediate labour market schemes and job creation schemes including Future Jobs Fund, can be successful labour market interventions in times of economic crisis (L&W, 2020). However, the design and delivery of such schemes are crucial to their success and the impact they can achieve.

Local Government has come together to produce a guide to what 'good' looks like for young people, employers and the economy (Local Government Association, 2020). This highlights the need for Kickstart to be part of a wider local offer, effective outreach and engagement, quality jobs and support, and an integrated, jargon free offer for employers.

This briefing draws together the evidence and other research to identify five key success factors for the design and delivery of Kickstart.

Future Jobs Fund

Introduced following the last recession, the Future Jobs Fund aimed to prevent a rise in long-term youth unemployment by creating subsidised job opportunities for young people. It was targeted towards young people aged 18-24 who had been on Job Seekers Allowance (JSA) for over 6 months. The Future Jobs Fund was a voluntary programme, and formed part of the Government's wider Young Person's Guarantee.

Over 18 months between 2009 and 2011 the Future Jobs Fund (FJF) created around 105,000 jobs with £680 million of funding (Marlow, Hillmore and Ainsworth, 2012:6). It had a significant, lasting and positive impact on participants in two key income measures. By the end of the study (24 months post attachment) participants were 16% less likely to be recipients of out of work benefits and 27% more likely to be in unsubsidised employment (Marlow, Hillmore and Ainsworth, 2012:67).

Cost benefit analyses of the FJF found that while the programme had a net cost to government of £3,100 per job, it had a net benefit of £4,000 to participants and £6,850 to employers. This meant the scheme had an overall net benefit to society, of around £7,750 per participant (Marlow, Hillmore and Ainsworth, 2012:65).

Success factors and recommendations for Kickstart

1. Context: Kickstart should be part of a locally-coordinated approach to ensure all young people are offered a job, training place or apprenticeship that best meets their needs

A range of employment and skills interventions can support young people to find work and build a career. The right answer for some young people will be to remain in or return to full-time education. For others, an apprenticeship might be best, while others again will need a work trial or job search support. Kickstart has the potential to be a powerful intervention, but we need to make sure young people are directed to the right option for them.

This requires a strategy to engage with all young people who need help and making sure they get the right option for them, regardless of which institution they engage with. In other words, we need to make sure no young people miss out and that support is not offered in silos. Given the diversity and complexity of young people's needs and local economies, this points to a key role for local government in coordinating outreach and the offer for young people – making a reality of our call for a Youth Guarantee that ensures all 16-24 year olds are offered a job, training place or apprenticeship ([L&W 2020](#)).

The same applies to employers, who risk facing a dizzying array of asks including offering work experience, T level placements, apprenticeships, Kickstart jobs etc. We need to avoid employers being bombarded by multiple agencies and providers making a range of related asks and offers. Again, this points to the need for local coordination.

2. Volumes: Local government and gateway organisations should take the lead in ensuring sufficient volume, geographical range and sectoral spread of Kickstart jobs

Kickstart needs to support a large number of additional job opportunities in a short period of time. It also needs to match the geographical spread of youth unemployment and the career aspirations of young people. A further tension is that Kickstart jobs must not displace other employment, but the Government aims to focus more on the private sector than previous schemes such as Future Jobs Fund (Marlow, Hillmore and Ainsworth, 2012:9 making it more challenging to ensure this is the case. To some extent, this makes Kickstart a mix of a wage subsidy scheme and (particularly for jobs led by local government and gateway organisations) a more structured placement scheme.

Maximising the volume of Kickstart jobs suggests keeping the application process as simple as possible, though this must not come at the cost of quality (see below). National and local government, along with charities, civic society, and intermediaries can all play a leading role in raising awareness and engaging employers.

National and local government should also consider a particular focus on promoting the creation of job opportunities in future growth sectors highlighted in local industrial strategies, including green industries, digital sectors, and social care (Quilter-Pinner, Webster and Parkes, 2020:17). In this way, Kickstart can help signpost the way to our future economy and young people are more likely to be prepared for future careers.

In addition to creating a large number of Kickstart opportunities, we must ensure that these opportunities are available across the country and in a range of sectors and roles, so that young people in every community can benefit from them.

Local government – through either local authorities or combined authorities where they exist – are well placed to create opportunities directly, and to engage with employers, to promote the scheme, and drive take-up. Other organisations, such as colleges and large employers, should be encouraged to become gateway organisations, leading the creation of Kickstart jobs among partners and employers in their supply chains.

3. Targeting: Ensuring young people who will benefit take part in Kickstart with an opportunity tailored to their needs

Kickstart will be focused on young people who are on Universal Credit and at risk of long-term unemployment. Work Coaches will have discretion to refer those they think will benefit. This is welcome, but brings a risk that some job ready young people may be referred, thus delaying them finding unsubsidised work, and that more disadvantaged young people may miss out.

This means the guidance to Work Coaches on how to identify those young people most at risk of long-term unemployment will be crucial. It needs to balance encouraging the maximum number of referrals with not holding back young people who would be able to find unsubsidised work, and give some factors for Work Coaches to consider without these becoming a self-fulfilling prophecy that stereotypes young people and means some miss out if they don't tick sufficient boxes.

To monitor this, there should be open management information showing the number of young people being referred in different parts of the country and whether they return to benefits at the end of their Kickstart jobs. This will allow some relative benchmarking to identify any potential outliers and allow further investigation. In addition, the factors Work Coaches will consider in deciding whether to refer a young person to Kickstart should be clear and allow input including from local government to reflect local circumstances.

In addition, there are many young people who are out-of-work but not on benefits, and most 16-17-year olds are not eligible for Universal Credit. There are 50-150,000 16-17-year olds not in education, employment or training, and not claiming Universal Credit. These young people receive very limited support and many are at risk of long-term unemployment.

Jobcentre Plus should have discretion to accept referrals to Kickstart for 16-24 year olds not on benefits from local partners, including local government, education and training providers, and careers advice services.

Young people should also, wherever possible, have a choice of Kickstart job so they best meet their needs. That could include an application process to both give employers choice and give young people greater experience of the job application process.

4. Quality: provide guidance to employers on how to structure and manage Kickstart jobs

There is always a danger when establishing a scheme to tackle an urgent problem that the focus is on quantity rather than quality. In this case, both matter.

At present, there is little guidance for employers about how to structure Kickstart jobs and ensure quality, and relatively light touch information asked from them about the content and quality of jobs. There is a balance between not creating too many barriers to employers wanting to offer subsidised jobs, versus having insufficient guidance or checks on quality which may mean Kickstart jobs do not benefit young people.

Learning and Work Institute research (L&W, 2018) on the industry placement element of T levels showed that employers wanted to engage, but wanted support to understand what a placement should look like and were confused by the array of asks of them by government and where T levels fitted in that hierarchy.

There should be clearer criteria for the quality of a Kickstart job, and clear and simple guidance for employers on how to meet this. This should be provided by DWP, with local government and Kickstart gateway organisations disseminating this or providing it if DWP does not.

Based on our research, the minimum requirements for support could include:

- An **induction process**, including a welcome to the organisation, an introduction to colleagues, an explanation of the role, and a health and safety briefing to include covid-safe working;
- An identified **line manager**, who would be able to supervise each young person, meet with them regularly throughout the Kickstart job, and support learning and development, as well as providing a reference for job applications;

- A **learning and development plan** setting out training and other learning opportunities to support young people to succeed in their role, and develop their skills and experience. The learning undertaken should, wherever possible, be recorded (e.g. on a CV) to support future job search.
- **Mentoring and job-search support** from someone who is not their line manager, potentially including advice and guidance on how to look for and apply for work in the sector and interview practice, as well as a reference from their employer.

While employers will be subsidised only up to 25 hours at the relevant minimum wage, they should be encouraged to offer longer hours if suitable, though not at the expense of the total number of placements, and higher pay if possible, including the Living Wage.

5. Outcomes: focus on support and jobsearch, and agree a plan for those not in employment by the end of their Kickstart job

Wrap-around support will be needed throughout the Kickstart job. Initially support is likely to be focused on supporting the young person to settle into their role; over time this needs to switch to identifying learning from the job and a in order to maximise the opportunity of a positive outcome after the programme. They will need support to do this, including from a Work Coach, during and after their Kickstart job, as well as support from their employer.

Evidence suggests that having consistent one-to-one advice and support throughout any intervention is effective in achieving positive outcomes for young people. This means making sure each young person has a clear plan and support, including from their employer, to achieve their end goal of sustained employment. This support could include:

- a **personal action plan** to identify a young person's career goals, how the job will support them to achieve these, and what else needs to be put in place;
- **regular contact and review meetings**, with the focus moving from support to settle in and sustain the Kickstart job on to job search as the role progresses;
- access to **training and development opportunities** during and alongside their Kickstart job, to help address identified skills gaps, and build their employability; and
- ongoing **jobsearch** including helping young people develop a CV with their new skills and experience on it, support in finding and applying for jobs, and help with interview practice.

Young people who have not secured a job on completion of a Kickstart job should not simply return to the start of a new benefit claim and repeat the same support and process again. Instead, they should have a review with a Work Coach to assess their progress, experience and skills development. This should lead to a revised Claimant Commitment for finding work, which could include intensive job search, training or other specialist support, work trials, or a further Kickstart role.

The Government should also consider a **Kickstart Bonus** of £1,000, to employers who continue to employ young people placed through Kickstart for at least six months after the completion of their role. There should be particular focus and incentives on supporting young people into apprenticeships at the end of their Kickstart job.

Lastly, Kickstart should be thoroughly and independently evaluated both nationally and locally to assess its impact and value for money.

Kickstart is a welcome initiative. To make sure it delivers for young people we need to ensure its delivery focuses on those who will benefit most, quality of Kickstart roles, range of offer, and focus on outcomes. Without this, the risk is that lots of jobs are supported, but too many young people miss out and those who do take part don't have a good experience or improved employment prospects at the end.

The central lesson from previous programmes is that we need to ensure young people get tailored support, those that would benefit most aren't excluded, that supported jobs and support need to be of high quality, and the focus throughout needs to be on the end goal of sustainable employment.

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