

- d. Helping resolve VAT issues and agreeing to cover the cost of VAT on the gateway administration element, and
 - e. Agreeing to pay compensation in a complex case where DWP made errors. I am not aware of any specific examples of errors that may or may not have occurred.
56. On 19 June 2020, along with the Minister for Disabled People, I received a submission **[MD/M9/17 - INQ000653751]** from DWP officials on the expansion of the Work and Health Programme (which would incorporate the Kickstart Scheme). The submission indicated an anticipated start in October. The submission said the Secretary of State was due to meet the Chancellor the following week. The Secretary of State and the Chancellor agreed the scheme would start in early November **[MD/M9/12 - INQ000592927]** This expectation may have stemmed from the experience of other pandemic-related measures, such as the Furlough Scheme, changes to Universal Credit, and Statutory Sick Pay, which largely built on existing infrastructure and relationships and could, therefore, be implemented at speed. In contrast, Kickstart required the creation of an entirely new programme. Unlike other schemes, it involved developing new roles, engaging with a wide range of external employers, establishing robust processes for the job creation, approvals, and delivery. DWP had to put in place new governance arrangements, decision-making structures, and dispute resolution mechanisms while also managing its internal workforce and resource pressures.
57. Additionally, there was no pre-existing internal job advertising platform suitable for use by Jobcentre Plus work coaches. As a result, the early stages of advertising approved roles and sharing with Kickstart participants required significant manual effort.
58. While there were differences in perspective between HMT and DWP at times, particularly around pace and delivery expectations, these were addressed constructively. The complexity and scale of Kickstart required a different approach. It was important to ensure the scheme was properly designed and operationally sound to protect both outcomes and reputations. We were testing and learning as we went along with Kickstart. This meant we had to adjust the design and implementation as the programme evolved to make the scheme remained aligned to the policy objectives. For example, at the outset we had to gather data manually which was and challenging; this was later refined. Another example is the time period for which Work Coaches could initially advertise roles was also limited. Later, we were able to enhance this approach through improvements to the 'Find

oversight of the scheme. The Future Jobs Fund had been administered by local authorities and other public and voluntary sector bodies. When we were designing Kickstart, we were extremely mindful of those criticisms and decided that the Department would take on much of the scheme administration centrally with support from Gateway organisations. We wanted to improve oversight and increase efficiency. Central administration also aligned more naturally with various features of Kickstart, including the fact that it was private sector led. The application process was a digital data gather service hosted on Gov.uk, which allowed central assessment of bids by the Grant Assessment team, including a Grant Approval Board. Although eventually most bids could be signed off by a senior officer rather than the Grant Approval Board, the Board was still required for the highest value grants. In my view, central administration made for increased consistency, fairness, efficiency and effective monitoring across the entire process.

140. Kickstart opened applications from employers and organisations wishing to participate as intermediary gateways on 2 September 2020. The first funded Kickstart jobs began in November 2020. The scheme was initially planned to run between September 2020 and December 2021.

141. As explained above, the Kickstart Scheme was developed at pace and launched as a minimum viable product to ensure that support was available for young people in uncertain and unprecedented times. A minimum viable product is a version of a product with enough features to be usable by early customers who can then provide feedback for future product development. The Secretary of State had made clear that it was non-negotiable that there should be young people starting Kickstart jobs and they should be given priority at the beginning of November 2020 [MD/M9/26 - INQ000655641]. The approach to delivery was designed to manage this risk: Kickstart was to be launched as a minimum viable product with all elements in place for jobs to start by November 2020. There was considerable uncertainty about whether DWP would hit issues that could potentially lead to a delay. It was, therefore, decided that any further elements would be developed and launched whilst the scheme was up and running.

142. A number of problems arose following the rapid launch, leading to criticism from stakeholders about unclear rules, a lack of published data on progress and short notice about changes. The Department responded to this feedback by making changes to the scheme such as removing the minimum threshold of 30 jobs for direct applications from