

To: **Secretary of State**



Department
for Work &
Pensions

From: NR
SCS Clearance: Julia Gault

Date: 24 July 2020

Kickstart Scheme: eligibility summary

1. The eligibility criteria for the Kickstart Scheme are critical to confirm and inform employers looking to create Kickstart jobs and to support the design of scheme processes to place those eligible into Kickstart roles.
 2. This submission looks at eligibility for the Kickstart scheme. We propose that our initial focus should be on those young people aged 16-24 on benefits at a higher risk of long term unemployment, with a view to broadening out into other groups as the Kickstart Scheme scales up. We have considered three approaches to eligibility taking into account the views expressed by Ministers and public statements made to date. We propose a tiered eligibility approach allowing for Work Coach discretion, and propose criteria to be tested with work coaches and employers.
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Timing

Urgent.

Recommendations

3. We recommend that:
 - i. Our initial focus should be on young people 16-24 on UC and JSA to enable referral mechanisms to be rapidly established for the autumn.
 - ii. We should do more work on other groups who could be included as the scheme scales up, such as adults leaving prison or who are former members of the Armed Forces, or young people not on benefit.
 - iii. We should use a tiered approach to eligibility which would provide prioritisation at work coach discretion, helping to ensure VfM and match supply of participants with available Kickstart jobs.
 - iv. We should test our draft criteria with employers and work coaches.
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Key Information

4. By clarifying who is eligible for the Kickstart scheme we will:
 - i. enable employers to build placements tailored to the characteristics of Kickstart participants
 - ii. build DWP processes, systems and guidance to connect participants with placements.
5. We suggest that the aim of the Kickstart Scheme is to **improve employability and chances of sustained employment of those at risk of long term unemployment, by supporting the creation of jobs that might not otherwise exist.**

Eligible groups

6. You agreed with the Chancellor that young people aged 16-24 at risk of long term unemployment would be a key target group for the scheme. This group is likely to offer strong value for money, as the Future Jobs Fund demonstrated good impact with JSA claimants. It will also be most straightforward to build and test the referral system for this group. So we recommend initial participants should be drawn from this group with other groups (e.g. over 25s on benefits and under 25s not on benefits) brought in as the scheme scales during 2021.
7. The potential demand for Kickstart placements is likely to be significantly greater than the supply of 200K+ jobs budgeted for, and therefore we recommend that the initial focus should be on this core group of young people:
 - there are approximately 540K unemployed 16-24 year olds, 348K of which are not in full-time education
 - there are a further 2.55m 16-24 year olds who are economically inactive (including for example, students).
 - in total, it is estimated that there are 771K people aged 16-24 who are not in education, employment or training (NEET), 64K of which are aged 16-17
 - these official measures lag DWP benefits data and are therefore likely to be an underestimate. The alternative claimant count shows 495K 16-24 year olds on an unemployment related benefit as of May 2020
 - there are currently 1.78m employments furloughed for 16-24 year olds
 - there are presently 807k unemployed people aged 25 and over.
8. There is a case for expanding the Kickstart scheme to two other groups:
 - People over 25 and claiming benefit, for example adults leaving the armed forces or leaving prison; and

- Young people not claiming benefits.
9. We recommend that we should do more work on these two groups for inclusion as the Kickstart scheme develops, rather than in the initial phase. Working out how to include these groups needs careful work. We do not have markers in our system for prison leavers or former members of the armed forces, although we are looking at this area; and we do not have information about young people not claiming benefit. Keeping the scheme simple in the first phase will improve our chance of successful delivery and ensure that the first opportunities benefit the core group that the scheme is designed to benefit. However we would like to work on the options for including these other groups, and in particular to work with DfE on how the National Careers Service, which is co-located in over 90 per cent of jobcentres, could play a role in identifying and referring young people for the scheme.

Are you content to focus initially on young people claiming benefits, and do more work on people over 25 who might benefit from the Kickstart scheme, and young people not claiming benefits?

Approach to eligibility

10. We considered three potential approaches to eligibility, as set out in **Annex A**:
- i. Open eligibility, where employers should be able to have a totally free choice about who they placed in a Kickstart role. This would present a high risk of being weak VfM as employers would be likely to prefer the most job ready candidates.
 - ii. Closed eligibility, where we should seek to target the scheme based on fixed referral points e.g. length of time on UC or belonging to a specific disadvantaged group. We think this would not provide the flexibility required to target those most likely to benefit or to meet employer demand.
 - iii. Tiered eligibility (our recommended option), where workcoaches can use their discretion within some parameters set out in guidance.
11. We recommend the tiered approach. Work coaches will have a key role in helping individuals to find the right support to meet their individual needs – whether that is a Kickstart job, an apprenticeship, a sector based work academy, a traineeship or something else. **Do you agree?**
12. We propose that guidance for Work Coaches will help to ensure those most likely to benefit from a Kickstart job are prioritised for access to them. We propose to test the following criteria with employers and Work Coaches and give further consideration to VfM:

Proposed criteria

To **be eligible** for a Kickstart Job, the individual must be:

- wholly unemployed (no earnings)
- assessed by WC as work ready (i.e. not needing support first to be able to meaningfully engage with the opportunity)
- a good fit for an available placement as agreed by WC and candidate

The individual is **likely to be suitable** if one or more of the following apply:

- 6+months unemployed and seeking work (potentially less if with a specific labour market disadvantage) including this year's graduates and people who have been furloughed
- In UC intensive work search regime
- One or more specific disadvantages (provided these are not barriers to being able to meaningfully engage with the opportunity without other support first) (e.g. care or prison leavers)
- In a particular local/national priority group (e.g. in serious violence hotspot area, young carer etc)

The individual is **unlikely to be suitable** if any of the following apply:

- Requires an intensive intervention to boost their chances of finding unsubsidised work, following which Kickstart may be appropriate
- Awaiting the outcome of an interview for an unsubsidised job/regularly getting interviews
- Has specific career aspirations and qualifications/skills/experience matching available job/apprenticeship opportunities. Although a Kickstart job may be a precursor to an apprenticeship
- Work Coach considers that a shorter available intervention would give a better chance of finding sustained unsubsidised work more quickly

Are you content for us to test these criteria with employers and work coaches?

Annexes:

A. Prospective Eligibility Table:

Option (employer to ultimately select candidates at interview in all cases)	Coverage and employer appetite	Value for money	Deliverability
<p>Option 1:</p> <p>Open eligibility, operating on a first come-first served basis</p>	<p>Employers would be able to cherry pick those needing the least support and likely to be productive soonest.</p> <p>Though it could make it easier to create placements it would be open to criticism that those most in need don't benefit.</p>	<p>There are high deadweight, lock-in and displacement risks associated.</p>	<p>There is a strong potential to overwhelm front line staff by requiring work coaches to act as gateways, alongside a very high risk of fraud.</p>
<p>Option 2:</p> <p>Closed eligibility, hard referral points</p>	<p>Clarity for employers enabling them to design roles with confidence but likely to restrict appetite for some.</p> <p>Ministers would be able to choose which wider government priorities to promote (e.g. prison leavers employment).</p>	<p>We would be able to better target the scheme at those most likely to benefit but still a risk of people being referred where this isn't the right option for them.</p>	<p>Absence of UC markers means a heavy burden on work coaches to identify the right people, verify circumstances before they even begin the scheme.</p>
<p>Option 3:</p> <p>Tiered eligibility, prioritisation at work coach discretion within some parameters</p>	<p>This option is flexible towards a variety of placements being created, covering a broad range of people where placements are generated, room for wider ministerial/local priorities to be accommodated without taking a tick box approach.</p>	<p>Personalisation means WCs are able to choose those most likely to benefit, and are informed by guidance.</p>	<p>This option does rely on WC capacity but on balance the most deliverable safe route for the Department.</p>