



**REPORT TO: EDUCATION, COMMUNITIES AND ORGANISATIONAL
DEVELOPMENT COMMITTEE ON 11 AUGUST 2021**

SUBJECT: KICKSTART SCHEME 2021

**BY: DEPUTE CHIEF EXECUTIVE (EDUCATION, COMMUNITIES AND
ORGANISATIONAL DEVELOPMENT)**

1. REASON FOR REPORT

- 1.1 The Committee is invited to approve the recommendation to support the government Kickstart Scheme by hosting 9 placements with appropriate funding.
- 1.2 This report is submitted to the Education, Communities and Organisational Development Committee following a decision of Moray Council on 17 June 2020 to agree a simplified committee structure as a result of the COVID-19 pandemic. In the case of this committee the combining of the delegated responsibilities of Children and Young People Services, Governance, Strategy and Performance, (para 9 of the minute refers).

2. RECOMMENDATION

- 2.1 **The Committee is asked to approve:**
- (i) **the creation of nine Kickstart placements as noted in 3.1; and**
 - (ii) **funding of £34,056 from free general reserves to enable payment of the national living wage for the nine kickstart placements for the duration of the placement. .**
- 2.2 **The Committee is also asked to note that work will continue with services to identify the further 6 Kickstart opportunities as set out in the report to Economic Growth, Housing and Environmental Sustainability Committee on 14 April 2021 (para 11 of the minute refers), to delegate to the Head of Financial Services authority to release further funding from reserves of up to £22,702 to fund these placements on the same basis as above.**

3. BACKGROUND

- 3.1 To tackle youth unemployment, the UK Government has created the Kickstart Scheme. Funding is available for employers to create a 6 month, 25 hours per week work placement for young people currently out of work, aged 16-24. The funding would cover the following:

- (i) 100% of the relevant National Minimum Wage for 25 hours a week (based on their age at the end of the placement)
- (ii) The associated employer National Insurance contributions
- (ii) Employer minimum automatic enrolment contributions
- (iii) An additional £1,500 for the employer per job placement available for setup costs, support and training

3.2 In a report to the Economic Growth, Housing and Environmental Sustainability Committee on 6 October 2020 (para 9 of the minute refers) it was reported that in Moray 830 people under the age of 24 were on universal credit and unemployed. The purpose of Kickstart is to support youth unemployment by giving these young people the opportunity to gain valuable skills and experience to improve their employability. Support for the Kickstart scheme was agreed in principle at this meeting with the requirement to report back to committee on the detailed spend for the implementation of the scheme.

3.3 The Kickstart Scheme pays the national minimum wage and it was proposed that Moray Council, as a living wage employer top up the money from the Kickstart scheme to meet the Scottish Local Government Living Wage for jobs created in the Council. It was estimated previously that this would require a budget of up to £66k for up to 15 jobs possibly less depending on the age of the workers, which determines the relevant national minimum wage rate. Further work has now been undertaken with services across the council to establish capacity to support these placements and 9 placement options have been identified in the following areas:

Service /Department placement requested	Interest	Number of placements sought
Sports and Leisure	Admin (including marketing/social media) and also practical delivery opportunities such as lifeguarding/sports coaching.	2
Committee service Manager and registrations	Admin assistant within the Moray Registration Service	1
Provider services- Care at Home Manager	Project to distribute and implement the use of smart phones across a very large workforce	2
Building Services Manager	Admin and trades/ labouring	2
Health and social care	Admin - Community Finance Team	1
Consultancy Section	A project in harbours or flood management	1

3.4 The budget agreed previously approved a budget of £66K as part of the council's economic recovery plan however this was based on 15 placements. It has not been possible to identify 15 opportunities within services to date. This is in part due to the nature of the work available and in part due to the additional pressures services are dealing with while still operating in a covid environment. Posts such as these typically require additional supervision and

support and some services have been unable to accommodate that. It is proposed to discuss placements further with services with a view to identifying another 6 opportunities in line with the original proposals.

- 3.5 The cost of recruiting to these 9 posts with the council funding the additional spend to top up the salary to the living wage is £34,056 for 9 placements and a further £22, 704 for the total of 15 placements previously referred to, as detailed in section below 4 c) below. The funding would come from free general reserves.
- 3.6 Recruitment to the placements will commence immediately. To be eligible for funding the placements must have started by 31 December 2021 and will run for 6 months from the start date.

4. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

The contents of this report are in accordance with the priorities set out in the Corporate Plan which details that economic growth and development is a key priority, Covid and the economic impact has strengthened the need to invest in the local economy and meet future challenges. Additionally this proposal supports our goals of building a better future for our children and young people in Moray.

(b) Policy and Legal
None

(c) Financial implications

Corporate Management Team Additional Expenditure Warning
When the Council approved the budget for 2021/22 on 3 March 2021 (paragraph 3 of the Minute refers) it balanced only by using one-off financial flexibilities. The indicative 3 year budget showed a likely requirement to continue to make significant savings in future years. All financial decisions must be made in this context and only essential additional expenditure should be agreed in the course of the year. In making this determination the council should consider whether the financial risk to the Council of incurring additional expenditure outweighs the risk to the Council of not incurring that expenditure, as set out in the risk section below and whether a decision on funding could reasonably be deferred until the budget for future years is approved.

The cost of recruiting to these 9 posts with the council funding the additional spend to top up the salary to the living wage is detailed below:

Costs for 9 placements of 25 hours for 26 weeks			
Living Wage costs	9.50	£66,303	
National Minimum Wage costs for under 18*	£4.62	£32,247	Funding provided by Kickstart Scheme

Moray Council funding required (including oncosts)		£34,056	
Costs for additional 6 placements			
Moray Council funding costs for additional 6 placements		£22,704	
Moray Council Total Contribution		£56, 758	

* As there is an age range and the national minimum wage changes dependant on age, this is the greatest level of funding that will be required. If placements are over age 18, the council will have less funding to contribute as the Kickstart contribution will be greater to match the minimum wage rate for the relevant age.

The Kickstart placements will be fully funded up to the national minimum wage, with an additional £1,500 received per placement. The external funding will be sought once the placements are approved and candidates are appointed to the Kickstart placements.

(d) Risk Implications

None

(e) Staffing Implications

There are no direct staffing implications however it is noted that arrangements will need to be put in place to direct, develop and support each Kickstart placement. This responsibility was considered by services prior to confirming their capacity to support the scheme.

(f) Property

There are no property implications.

(g) Equalities/Socio Economic Impact

The National Minimum Wage and Scottish Local Government Living Wage and both contribute towards ensuring an acceptable standard of living. The Kickstart Scheme contributes towards improving the employment prospects of young people in Moray impacted by levels of youth unemployment.

(h) Consultations

Consultation with Service Managers has been conducted in terms of planning for the implementation of Kickstart. The Depute Chief Executive (Education, Communities & Organisational Development), Head of Economic Growth and Development, Head of Financial Services and Tracey Sutherland, Committee Services Officer have been consulted and comments incorporated into the contents of this report.

5. CONCLUSION

5.1 The Kickstart Scheme provides the opportunity for the Council to support young people in Moray into employment by offering temporary

employment for up to 26 weeks. Services have identified 9 placement opportunities that would be suitable and efforts will continue to add a further 6 placements to this. The committee is asked to agree the funding from reserves to add to the Kickstart Scheme funding to ensure that those on placement are paid the Scottish Local Government Living wage rather than the national minimum wage funded by the Scheme.

Author of Report: Kayley Kearns, OD Adviser

Background Papers: Economic Recovery Plan 6 October 2020
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