

Launch of the Kickstart Scheme

On 8 July 2020, the Chancellor delivered the Summer 2020 Economic Update, which set out several announcements including the creation of a Job Retention Bonus and a new Kickstart Scheme.

The Kickstart Scheme creates an unlimited number of 6-month work placements aimed at those aged 16-24 who are on Universal Credit and are deemed to be at risk of long-term unemployment. Funding available for each job covers 100% of the relevant National Minimum Wage for 25 hours a week, plus the associated employer National Insurance contributions and auto-enrolment contributions. There is also £1,500 per job placement available for setup costs, support and training.

The aim of the scheme is to *“support participants to develop the skills and experience they need to find work after completing the scheme”*.

Eligibility

For employers to apply directly, they must create a minimum of 30 placements. If fewer than this, employers must partner with other employers, local authorities, chambers of commerce, trade bodies or registered charities and could become a representative themselves.

The job placements must be new jobs and must not:

- ❏ Replace existing or planned vacancies;
- ❏ Cause existing employees or contractors to lose or reduce their employment;
- ❏ Require people to undertake extensive training before they start the job.

Each application should include how the employer will help the participants to develop their skills and experience, including:

- ❏ support to look for long-term work, including career advice and setting goals
- ❏ support with CV and interview preparations
- ❏ supporting the participant with basic skills, such as attendance, timekeeping and teamwork

Once a job placement is created, it can be taken up by a second person once the first successful applicant has completed their 6-month term.

Becoming a representative

The representative must have:

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- 📄 experience of managing partnership agreements with third parties;
- 📄 robust financial and governance processes to manage the application

An assessment will be carried out of the suitability of representatives as part of the application process.

Making an application

For those employers creating 30 or more placements, applications can be made directly at the following link: <https://www.apply-kickstart-grant-employer.service.gov.uk/>.

If there are fewer than 30 placements, employers can contact the Jobcentre Employer Partnership team for help becoming or getting a representative: <https://www.gov.uk/government/publications/dwp-partnerships>.

When making an application the following information will be needed:

- 📄 the Companies House reference number or Charity Commission number;
- 📄 the employer's address and contact details;
- 📄 details of the job placements and their location;
- 📄 supporting information to show that the job placements are new jobs and meet the scheme criteria;
- 📄 information about the support the employer can give to develop employability skills of young people.

The application will be reviewed to check it meets the requirements of the Kickstart Scheme. It will then go to a panel for consideration. This is not a competitive process, but Kickstart will only provide funding when the job placements meet the criteria. The aim is to respond to the application within 1 month.

If the application is successful

The employer will receive a letter with a grant agreement. This agreement will include what the company has agreed to provide, and how much funding they will receive from the Kickstart Scheme. The grant agreement must be signed and returned before any job placements can begin.

The employer will need to provide job descriptions for each of the job placements applied for. This should include what candidates need to do to apply for the job placement. The young people who have been matched to the job placement will then contact the employer.

If the application is unsuccessful

If the application does not meet the requirements of the scheme, the employer will be given feedback. A further application can be submitted with further information. There is no limit to the number of times an employer can apply for funding, however there is no legal right of appeal.

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What happens next

Candidates will apply for the job placements and the employer can choose who to employ. The employer will only obtain funding if they appoint a young person that the scheme has introduced.

How funding is paid

The employer will receive initial setup costs when they have confirmed the young person has started work, is enrolled on payroll and is being paid through PAYE.

DWP will use information from HMRC to check that the young person is still employed, and will pay the grant in arrears.

DWP may contact the employer or the young person during the job placement to check what employability support has been offered. This is to make sure the young person has the best experience from the scheme.