

Q & A: How does the Kickstart Scheme work?

1. What is the Kickstart Scheme?

The Government describes the scheme as an 'innovative way to help young people into work and spur Britain's economic revival'. It was officially launched on Wednesday.

The scheme is subsidised with the Government paying 100 per cent of the age-relevant National Minimum Wage, National Insurance and pension contributions provided young people aged 16-24 are given quality positions with a minimum 25 hours a week.

2. Why was there a delay in the launch and where do we find out more?

This is not clear. The Chancellor had said in July that we'd find out more about the scheme in August. But information was only unveiled this week.

Businesses are now able to sign up to be part of the £2billion Kickstart and get more guidance [here](#).

Young people wanting to take part can find out more [here](#).

3. Can employers pay more if they want to?

Employers will be able to top up this wage if they want to, but this will be from their own funds.

If, however, they need more funding for support, training, uniforms, setup costs and equipment the Government will also pay employers £1,500 to per Kickstart placement.

4. Why is the Government focusing so much on the unemployed youth?

The Government points out that young people are more likely to have been furloughed, with many working in sectors disproportionately hit by the pandemic.

Government figures now show that a record 538,000 under-25s claimed UC in lockdown.

The Kickstart jobs are designed to build their skills in the workplace and are meant to help them gain experience to improve their chances of finding long-term work.

Chancellor Rishi Sunak said: 'This isn't just about kickstarting our country's economy – it is an opportunity to kickstart the careers of thousands of

young people who could otherwise be left behind as a result of the pandemic.

'The scheme will open the door to a brighter future for a new generation and ensure the UK bounces back stronger as a country.'

6. Why can't businesses advertise the roles and find their own ideal candidates?

This was not initially made clear so many companies started advertising Kickstart roles on online platforms like LinkedIn and Totaljobs.

But last month DWP warned companies not to advertise the roles, after This is Money brought the listings to light.

The DWP said: 'Young people will be referred into the new roles through their Jobcentre Plus work coach with the first Kickstarts expected to begin at the start of November.'

Companies will still have to supply a job description. The DWP said: 'Once the application is approved, we will need detailed job descriptions to ensure we are identifying the right young people for the job.'

7. How long will Kickstart go on for?

It will be delivered by the DWP and will initially be open until December 2021, with the option of being extended.

8. How much will the government spend on admin costs?

The DWP said: 'We will provide funding to representative bodies of £300 for each person starting a Kickstart job to cover the administrative costs.'

9. Is there a limit on the number of Kickstart jobs?

No. Secretary of State for Work and Pensions, Therese Coffey, said: 'As we launch our £2billion Kickstart programme, putting young people at the heart of our revival - we are urging businesses to get involved in this innovative scheme and take advantage of the enormous pool of potential out there.'

'There is no limit on the number of opportunities we'll open up through Kickstart and we'll fund each one for six months as part of Our Plan for Jobs to create, support and protect jobs.'

10. Has the Government ever introduced something like this before?

The Labour Party government introduced a similar scheme more than a decade ago.

Its Future Jobs Fund was introduced in October 2009 to support the creation of subsidised jobs for unemployed young people. It was aimed at 18-24 year olds in receipt of Job Seeker's Allowance.

11. Do you have to employ Kickstarters after the 6 months?

No. There's no requirement to employ them after 6 months.

Though I'm sure you'd be able to offer permanent roles to them should you wish.

However, the main goal of these placements is to give young people skills to make them fundamentally more employable in the long term. The Government published material references things like CV writing skills, interview skills and timekeeping. Though any other valuable skills that could be provided would, of course, be welcome.

12. Who does the Government pay?

The Government is going to pay the employer directly to the tune of a minimum wage, National Insurance Contributions and Pension Contributions for 25 hours per week.

Bear in mind that the Kickstarters will all be aged 16 to 24 and as such the minimum wage varies.

13. What do employers have to offer?

There is no formal documentation on this within the Government guidance – no explicit list that is to say. But placements of this nature aren't intended just as free labour, of course.

You should be offering training, real work experience and helping these young people to build their professional skills.

The guidance suggests that employers should offer “employability support.” But I imagine different businesses can interpret that in different ways.

The guidance says:

“DWP may contact you 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.”

14. Are there any negatives?

Yes, of course. Given the people this scheme is designed to help are all likely to be new to the workforce (possibly just out of school, college or university), they’re not likely to have much work experience.

Don’t forget to consider just how much time and resource you’ll need to put into mentoring, training and supporting this individual.

So do weigh up carefully if this is something that’s right for your business and have a clear idea from the outset as to what skills you can equip them with.

15. Are all 16 to 24 year olds on Universal Credit eligible?

The Chancellor said this is for 16 to 24 year olds on Universal Credit “at risk of long term unemployment.” It isn’t yet clear whether that means all 16 to 24 year olds on Universal Credit or whether other criteria will apply.

The material available thus far is aimed at employers rather than the prospective Kickstart employees. It does say the grant will only be paid if you hire someone referred to you as part of the scheme (so you can’t just go handpicking your own Universal Credit recipients). But there’s no confirmed information about whether all recipients will be eligible.

16. Can you interview prospective Kickstarters?

Yes. Once you've made a successful application you can go about receiving applications for your job roles and choose who to apply. So it appears you can implement your usual hiring criteria and process here as long as the panel of applicants you're choosing from are introduced as a part of the scheme.

17. What happens if it doesn't work out with a Kickstarter?

It's a fair assumption, much as is the case with Apprentices, that you'll be able to terminate the placement. But again, lots is still to be confirmed even after the publication of guidance today.

It was managed by the DWP in partnership with the Department for Communities and Local Government.

Jonathan Reynolds, Shadow Secretary of the DWP, has slammed the government's handling of Kickstart and claimed it is letting down young people.

18. Will your Universal Credit stop or continue when on Kickstart?

Universal Credit is paid to those who are on low incomes as well as the unemployed.

So it is possible to have a job and also get Universal Credit.

Funding for each job placement created under Kickstart will cover 100 per cent of the relevant National Minimum Wage for 25 hours a week, plus National Insurance contributions and minimum pension contributions.

Employers also have the option to top up the salary.

The DWP confirmed that applicants will continue to receive their Universal Credit. But when you start work, the amount of Universal Credit you get will gradually reduce as you earn more.

The amount of Universal Credit you will receive is based on your actual earnings.