

Public Accounts Committee

Oral evidence: DWP Employment Support 2: Kickstart scheme, HC 655

Monday 6 December 2021

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Watch the meeting

Members present: Dame Meg Hillier (Chair); Sir Geoffrey Clifton-Brown; Mark Francois; Peter Grant; Antony Higginbotham; Craig Mackinlay; Nick Smith;

Stephen Timms, Chair, Work and Pensions Committee.

Gareth Davies, Comptroller & Auditor General, National Audit Office, and Marius Gallaher, Alternate Treasury Officer of Accounts, were in attendance.

Questions 1 - 98

Witnesses

I: Peter Schofield CB, Permanent Secretary, Department for Work and Pensions; Jonathan Mills, Director General, Policy Group, Department for Work and Pensions; and Karen Gosden, Area Director Work and Health Services and SRO for Kickstart, Department for Work and Pensions.



Report by the National Audit Office

Employment support: the Kickstart Scheme (HC 801)

Examination of witnesses

Witnesses: Peter Schofield, Jonathan Mills and Karen Gosden.

Q1 Chair: Welcome to the Public Accounts Committee on Monday 6 December 2021. We are looking at the Government's flagship Kickstart scheme.

With worries about the impact of Covid-19 on employment rates of young people in what was then expected to be a very difficult employment market, the Government launched Kickstart in July 2020, aiming to get a quarter of a million, 250,000, young people aged 16 to 24, who also claimed universal credit—quite a narrow group of people—into work by December this year. The scheme closes on the 17th of this month, so this is an interesting time for us to look at it.

Obviously, it has not been fully evaluated yet, but when the National Audit Office looked at it as of 1 November this year, just ahead of the deadline for success of December 2021, there had been 96,700 Kickstart placement starts. The economic picture has changed. I think everyone would agree that it was right to try to support young people, but our questions are whether this was the right way to do it, how well it has worked, how well the Department is evaluating the scheme and whether there are long-term plans for the future.

Today, we are delighted to be joined by Stephen Timms MP, Chair of the Work and Pensions Select Committee. Welcome back to you Mr Timms. I welcome our witnesses. We have Peter Schofield, well known in this parish, the permanent secretary in the Department for Work and Pensions. He is joined from his Department by Karen Gosden, universal credit area director for central England and Wales—just a small territorial responsibility—and senior responsible owner for Kickstart at the Department. Jonathan Mills is director general for labour market policy and implementation at the Department for Work and Pensions. You certainly do not stint on the length of your job titles, Mr Schofield.

Peter Schofield: I think it takes up a bit of the Committee's time, always a good tactic.

Chair: As a Labour MP, I do not think I can criticise, given the job titles of my deputy Leader. Thank you very much to the witnesses and Members for coming. I would like to turn straightaway to Nick Smith MP to kick off.

Q2 Nick Smith: Good afternoon, everybody. Kickstart gave me high hopes that it would help young people through an economic crisis. However, furlough has come and gone and demand for staff has increased, but the number of unemployed 16 to 24-year-olds claiming universal credit and looking for work has rocketed, so there are big questions to ask about the effectiveness of Kickstart. Mr Schofield, when Kickstart was set up how



quickly was it overtaken by events?

Peter Schofield: This report sets out very clearly what was a changing environment. As you rightly reflect, the labour market was changing very rapidly, but Kickstart absolutely has its place. I was here with Jonathan back in the summer. We talked about the wide range of different interventions we have across the plan for jobs of which, as the Chair said, Kickstart is in many ways a flagship, but we have a whole range of other types of support.

The key question, as the report sets out, is whether we are delivering on the business case and whether the key assumptions, which the NAO set out very clearly, are likely to be met as a result of what we are doing. We will end up with a programme that is not quite as big as I think was envisaged at the time the scheme was announced in July 2020. The report sets out that, although we had funding for around 250,000 starts announced back in July 2020, the precise number is 168,000, so it will be on a smaller scale than originally envisaged. We will only know that when we finalise the evaluation over a period of time. Karen will be able to say more about the lived experience of many of the people we talk to regularly in jobcentres. The reality is that at the moment over 100,000 young people have been given opportunities that we do not think they would otherwise have had, and an opportunity to avoid the risk of scarring, which was at the heart of Kickstart's announcement at the beginning.

Q3 **Nick Smith:** It is good that so many young people have a start, but it is many fewer than you first anticipated. I want to come back to what happened at the start of the programme. How did you adapt Kickstart to respond to the very different conditions you faced so soon after the launch?

Peter Schofield: The report sets that out bit by bit. It is important for the Committee to reflect on the context when we started. We knew that we had forecasts of unemployment, particularly for young people, rising sharply. Unemployment was forecast to rise by up to about 12% when we were looking at the scheme back in July 2020, when it was announced. Back then, the furlough scheme was due to end at the end of October 2020, so it was a premium for us to get this ready and for starts to be able to flow from that moment. I am delighted that the team led by Karen were able to get the first starts in early November 2020.

Q4 **Nick Smith:** Was it possible to create and fill jobs during the initial period with national lockdown?

Peter Schofield: Yes, we showed that we could. We have statistics in the report for how many were filled and we were filling them, not at the rate we might have wanted, for the reasons that the report sets out. There were challenges for some of the businesses that applied for roles to be able to fill them in a situation in which many of their own activities were not happening because of the lockdown. There were also challenges we faced in trying to engage young people when we were not able to do face-to-face interviews in jobcentres. They only really began in April 2021 when we



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were able to restart at that stage of the road map. It was difficult. You can see that the trajectory was not as fast as we might have assumed, and certainly would have assumed back in July 2020, but what we saw was a steady flow and that rose in the period after that.

Q5 **Nick Smith:** I am trying to understand a bit more about the topography of employment and what was happening to the economy at the time. What impact do you think furlough and its continuation had on the effectiveness of Kickstart?

Peter Schofield: What furlough did was retain in employment many young people who we feared might have moved out and be looking for roles. I may have the numbers wrong, but I think that during the early part of 2021 about 750,000 young people in the eligibility age of Kickstart were on furlough. We were concerned that some of those would flow out into universal credit from the moment furlough ended, and we had originally assumed that furlough would end at the end of October 2020. When the scheme was extended, and when Kickstart was extended back in the summer, at that point we were also looking at the risk of people going into unemployment when furlough actually finished at the end of September this year.

It is fair to say that throughout this period, as I think the report brings out, there was a lot of uncertainty about what would happen in the labour market, and we were always trying to respond to that. There were some key moments in all of that. There were moments when we had to try to get the scheme ready for starts in November. That was a crucial moment. There were moments through the early part of 2021 when we were looking at how we could engage better, and we were seeing the opportunity at that point of the road map back in April 2021 when we had the opportunity to see claimants face to face in jobcentres. That made a big difference.

We did a full evaluation from the value for money point of view back in the summer to look at where we currently stood. We looked again at the nature of the available jobs that had not been filled and the case for continuing, and we looked at the importance of it at that stage. I think we were here in June or July. At that point, we were seeing vacancies already up to around 800,000; they are now at about 1.2 million. In that context we were looking at whether Kickstart still had a role to play. As the report says, we believed it did, but we have ended up on a lower trajectory than we previously thought. It was very clear to work coaches, as you see in the report, that the priority, if you can do it, is to get young people into mainstream jobs rather than Kickstart jobs.

Q6 **Nick Smith:** The trajectory was much lower and it took a long time for the programme to begin. How concerned were you that many of the young people who joined universal credit at the start of the pandemic were on the benefit for over a year before Kickstart got going at full scale?

Peter Schofield: The timing did not work quite that way, unless I have misunderstood the question. The first starts under Kickstart were in



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November 2020. We can take a view about when the pandemic began, but we saw a big increase in universal credit claims from the final week of March 2020 onward. At that point, we were looking at a period of six months or so and we were continuing to see quite high declarations in universal credit through to July. We were looking at that sort of period.

I think at the heart of the point you are making, Mr Smith, is how to engage with young people about the opportunities that are there. One of the things we have learned an awful lot about is that, although it is possible to engage with young people over the phone or virtually in different ways, it was only when we were able to see young people face to face in jobcentres from April—Karen can probably vouch for this—that we felt we were able to engage with them to take the opportunities that were there. I do not know whether Karen wants to say something about the experience of work coaches.

Karen Gosden: It certainly was harder when we were not seeing customers face to face.

Q7 **Nick Smith:** It must have been really hard.

Karen Gosden: Absolutely. I have worked in jobcentres since I left school and there is no substitute for face-to-face contact.

Q8 **Nick Smith:** Most of all, it was harder for young people, wasn't it?

Karen Gosden: Absolutely, because they were at home and some of their life circumstances worsened with isolation. Our work coaches were trying to support them through that.

To give you an example, last week I was in Derby jobcentre, which is my local jobcentre, to look at how we work with our young people and employers now. Two employers had Kickstart vacancies they were advertising for, so they had two desks with appointments booked throughout the day. Each of the customers, who had already been working with their work coach for a period of weeks or months and had support on CV and interview techniques, came in to see their work coach first and had a conversation with them. They gave them a bit of a chivvy and support and tried to calm them down before the interview. They then walked them over for a warm handover to the employer. Of course, the employer then did the interview on their own. The customer went back to their work coach and the employer adviser then talked to the employer to see whether there was anything that could help to smooth over any difficulties during the interview. On the morning I was there, of the four people one employer interviewed she offered jobs to three of them. That was not possible before we opened up the jobcentre.

Q9 **Nick Smith:** It is a great anecdote and it is good to hear that stuff.

Karen Gosden: It happens day in, day out in all of our jobcentres.

Nick Smith: The staff at my DWP office in Ebbw Vale are terrific people



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who understand their local economy and get stuck into supporting young people. I absolutely accept what you say, Karen.

Chair: I think that is a bid for promotion for the people of Ebbw Vale.

Q10 **Nick Smith:** A top-up bonus would be nice. Can I come back to Mr Schofield? Then I have a second question for Karen Gosden. With the opening up of the economy, what do you think is the likelihood now that the taxpayer is just subsidising jobs that would have existed anyway?

Peter Schofield: We are very careful. The report sets out, in paragraph 3.28 I think, the detail of the checks that we make before we offer any Kickstart vacancy and that we go through with the employer. Can they demonstrate that the job would not exist were it not for Kickstart? Many applications do not get through at that stage. We have huge confidence that our controls and checks make sure that the jobs that get through are jobs that would not otherwise happen.

Q11 **Nick Smith:** Looking at the report, the biggest increase in sectors in Kickstart is jobs in retail. Lots of new jobs were being created in retail at the time because it was a growing, dynamic sector. We all remember it, don't we? Are you saying that the jobs created under the programme would not have been created anyway?

Peter Schofield: That was what had to be demonstrated. Typically, what would happen—Karen might be able to give some specific examples—was that the employer would have to demonstrate it. In retail, they would have a certain number of employees per store and they would have to follow particular metrics. They would have to demonstrate that those jobs would be on top of what they would otherwise be employing.

Q12 **Nick Smith:** We will come back to that later separately. I think it is one of the big outstanding questions.

Karen Gosden, what risk do you think there is that your work coaches are encouraging otherwise employable young people to go into Kickstart jobs, rather than vacancies that employers are already providing?

Karen Gosden: All of our work coaches are trained. As you know, we have recruited a lot of new work coaches. Some of our work coaches on Kickstart are new; some of them are the most experienced ones. We have a mix in most of our teams.

They are all trained in the use of discretion. That is fundamental to the way work coaches operate. They use their judgment and discretion to set up a claimant commitment in partnership with the customer, setting out what that customer will do to get themselves closer to the labour market and then into work, or into Kickstart. That discretion training is throughout all of the modules they go through, particularly those on complex needs customers, claimant commitment and health conditions. That is supported by the work coach team leader role in observations and the checking regime. I can go into more detail if you want.



I am confident that work coaches are looking to do the right thing for the customer, which is to get them closer to work, into work if they can and into the open labour market. Some of the jobcentres in my patch did not have as much Kickstart activity in the summer because, on the coast for example, they had a lot of open labour market jobs in the holiday sector. I could see that in some of the figures. Work coaches always look for an open labour market job in the first instance.

Mr Smith, you touched earlier on the impact on young people of Covid. Isolation and lockdown meant that quite a few of the customers who sat in front of our work coaches needed extra support. The ones work coaches were referring to Kickstart were those who had not been able to compete at that point in the open labour market.

Q13 **Nick Smith:** Did you say that they did or did not need extra support?

Karen Gosden: They did need extra support because of some of the impacts on them as young people of Covid, isolation, lockdown and so on. Some of the customers we do the most work with have mental health conditions and concerns as well as being out of work. The work coach role is to work with the individual to find the best solution for them. In many cases, that was Kickstart; in some cases, it was an open labour market job, and obviously as the labour market opened up, there was greater movement into the open labour market, and for some customers there was additional provision before they were able to apply for either a Kickstart or an open labour market job.

Peter Schofield: It might be helpful to look at the statistics to show what was going on elsewhere. In March, we reached a peak in the intensive work search group in universal credit of about 2.5 million. That number is now below 1.9 million and it has been going down by about 1% a week. If you compare the scale of that with the number of Kickstart starts, you can see an awful lot of movement into mainstream work as well as filling Kickstart starts. To give a bit of reassurance to the Committee, work coaches were prioritising the filling of mainstream jobs where possible.

Q14 **Nick Smith:** Thank you Mr Schofield. Given the very different economic environment since the economy was reopened, why do you think the scheme should be extended?

Peter Schofield: It goes back to the uncertainty we were faced with. Even earlier in the year, when we extended the scheme, we were still looking at the furlough scheme coming to an end at the end of September. Even then, the OBR forecast was that unemployment would go up in the final quarter of the year, as opposed to continuing to come down. There was continuing uncertainty, and we still believed there was a role for Kickstart for the types of individuals Karen described, to fill a gap in provision, obviously at a lower scale than previously envisaged back in July. Alongside all of that, in the summer, when we did our review of where we were in the programme, we also put in place more training for work coaches, as described in the report,



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to make sure that we were getting referrals for exactly the right people. It had a role to play. That is my point.

Q15 **Nick Smith:** You are saying that things were still very uncertain. Mr Mills, what analysis and advice did you provide to your colleagues on the value for money of extending the scheme in the summer?

Jonathan Mills: As Peter said, we have reviewed the value for money of the scheme at several points during its lifetime so far. The evidence we had showed, first, that there were significant uncertainties about the outcome that would follow when the CJRS scheme came to an end, but it was not just that. As Karen has been describing, a significant number of young people, even with the relatively soft landing for the end of CJRS, as we have thankfully seen, were at risk of scarring.

The core element of the economic case that underlies Kickstart is that young people in particular, without the extra assistance to find work that Kickstart placements provide, are at risk of scarring. The effects of the pandemic on the population that we are seeing in the intensive work search group are such that we are still finding a population of young people for whom Kickstart is a valuable intervention, so the value for money case would still stack up.

Q16 **Nick Smith:** Scarring is terrible for young people, isn't it? We all want every young person to get a good start in life and build confident, happy employment from that, but your best value analysis at the time, based on whatever numbers you put in around scarring, meant that the case stood up.

Jonathan Mills: Yes. The value for money case continues to stack up because there is still a population of young people at risk of scarring and Kickstart benefits them and society.

Q17 **Nick Smith:** Mr Schofield, would you launch Kickstart today if it did not already exist?

Peter Schofield: Would I launch it today? That is a great question.

Chair: For once, Mr Schofield is stumped for words.

Nick Smith: The camera is still rolling.

Peter Schofield: The reality is that we are seeing a labour market that is very different from the one in July 2020. I think the question is about the scale of need. As the report sets out, at the time, the Government were looking to do something significant, at scale and rapidly, to meet a very significant challenge in the labour market, with the risk of unemployment rising to 12%. We do not face that situation now. Obviously, it would be a decision for the Government whether to proceed with a scheme like this in different circumstances.

Jonathan Mills: One of the points the NAO report makes clear is the amount of uncertainty at the time we launched the plan for jobs, and



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Kickstart in particular. It is worth emphasising that we tried to take account of that. One of the key features of the Kickstart scheme is that it is demand-led, so it responds to demand from employers and to the supply of young people who are in need of it. It was designed to be resilient to a degree of uncertainty in the economy.

Q18 Nick Smith: Mr Schofield, today there are many vacancies in the economy, but why is it that a very large number of 18 to 24-year-olds on universal credit are not getting those jobs, even though employers are getting £7,000 for six months? What is going on? Explain that conundrum to us.

Peter Schofield: The reality is that we are filling roles as rapidly as ever, but the challenge is to bring young people and employers together. We can all tell stories; I was in a jobcentre last week sitting in on an interview and looking at the challenge of bringing together an employer who has particular requirements and an individual who has particular needs for support. So much of it is down to the ability of our amazing work coaches to bring them together and make that happen, and an employer offering a role to a young person, even with the subsidy you described. It is sometimes a challenge to bring those two together, but the amazing skill of our work coaches is to be able to do that.

Q19 Chair: Can I refer to some evidence we have had from Catch22? Ms Gosden, you are closest to the frontline, so perhaps I should address this to you. You may have seen the evidence. Catch22 talks about the young person being encouraged to contact the placement provider by their coach; you described something slightly different to Mr Smith. The issue is that often they do not hear from the individual, "we see fewer than 20% of referrals make contact. Some of our roles get more than 50 referrals, but not a single young person gets in touch." Do you recognise that description, and what are you trying to do to make sure that the match Mr Schofield talked about is actually happening?

Karen Gosden: I think the answer I gave Mr Smith is part of the answer to that. I do not want to keep going back to it, but before we had customers and employers in our offices, it was very difficult and there was probably a little bit too much of, "This customer looks like they might be a match." It is very difficult. I have had years of experience in jobcentres. There is no substitute for being able to have a face-to-face conversation. Many of the work coaches had never met any customers, because we recruited them during Covid and they had their training at home online, having done their induction in the office. Therefore, the customers were not in the office and nor were the work coaches, and the experience that comes with dealing with customers face to face was not something that all of our work coaches had. Probably, in that evidence, the work coach thought there was a match and made the referral, and it was not followed through.

As I described to Mr Smith, Ebbw Vale has employers in every week and they are trying to fill 15 vacancies at the moment, with employers matching with customers every week. That is to address the particular point that the work coach helps. This picks up Peter's point. Sometimes our customers



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have a raft of challenges that we are there to support with. I can give you examples later, if time permits, where we are working with lone parents, people who are sofa-surfing, people with mental health issues, and care leavers, all of whom need wrap-around support, and our work coaches are brilliant at that.

Q20 **Chair:** You are saying that basically this is a symptom of the online situation.

Karen Gosden: I would not want to say specifically without investigating it, but I suggest it probably is, from what you have said.

Q21 **Chair:** Catch22 is a very well-established charity with a very good gateway.

Karen Gosden: Absolutely. Yes.

Peter Schofield: It is worth saying that when we get the employer and the young person together in the jobcentre that is almost certainly the best situation for getting a successful match.

Karen Gosden: And recruitment and jobs fairs. All of those things were not available to us because of Covid. If you go into our jobcentres now, some will have employers in every day; they will all have employers in at least every week. It is about matching together and facilitating a conversation. Sometimes, it is as much with the customer, to help them with their confidence and making eye contact. Some of our customers even find that challenging. Equally, our employer advisers are expert at working with employers to try to make sure we can help them with the match and perhaps encourage them to be a little bit more open to maybe taking a risk.

Chair: You are explaining it very well, as it feels on the ground.

Q22 **Peter Grant:** Good afternoon to our witnesses. Mr Schofield, I want to go back to some of the questions Mr Smith asked earlier. We are trying to get to the bottom of the question of additionality. Were these new jobs or jobs that would have had to be created anyway? One of the examples Mr Smith referred to was the very large number of placements in the retail sector. If the Kickstart people had not been employed to stack the shelves, somebody would have had to stack them.

Peter Schofield: They are not there to stack the shelves. As I said, the—

Q23 **Peter Grant:** What jobs were they doing?

Peter Schofield: Often, they are administration-type roles or support roles. They are basically roles that would not be carried out without the kickstarters being there. I misled the Committee earlier. Paragraph 3.20 has the various questions that we ask and the process we go through. In reality, as it says there, 47% are rejected on the grounds of additionality and other grounds at that stage.



Q24 Peter Grant: I can understand that a significant number of applications could be rejected because they are blatantly not additional jobs, but why would a major retailer take on that number of additional workers if there was no work for them to do? Although you told us that a lot of them were categorised as retail, you are now telling us that they were doing admin jobs in the retail sector, but if there was a massive increase in the use of click and collect or deliveries, which a lot of supermarkets did quite early on to support people who either could not go out or were reluctant to go out to shop by themselves, that would create an additional demand for administration, so they would have had to bring in additional admin staff even without Kickstart. What is it that you do that makes you able to be so confident that these are additional jobs and that you are not simply subsidising supermarkets for doing a great job in keeping us all supplied, or subsidising jobs that would have been filled by the supermarkets anyway?

Peter Schofield: It is a very good challenge, Mr Grant, and it is those questions that we ask. We go through this with them: "Talk us through what your planned vacancies would be otherwise. Let's understand that, and the nature and scale of what you do." Often, in retail there are ratios for the number of people per staff, so this would have to be on top of that.

I was with a Kickstart employer last week, admittedly not in retail, who talked about the role that his kickstarter would carry out. That would enable him to grow his business, but it was not a role he would have been able to afford; he did not have a revenue line that would have justified it. He would not have taken that person on, but the person was going to help him grow his business. It is additional in the sense that it would not have happened otherwise, but it was helping a small business to take opportunities that were coming up in the marketplace. Ideally, you hope that it would then create a revenue stream that would justify an ongoing job after the end of the placement, which would then be paid for by the employer. I think that is a great example. We have seen many of those examples across the piece. Karen, do you want to take Mr Grant's specific point about retail and how we assess them?

Karen Gosden: As Peter said, the application process and our decision-making process for each application is based on what the employer and the gateway organisations say. The questions are quite stringent, but to a degree we have to believe what they are telling us and make an assessment based on that. Following the retail example, some of them were things like meet and greet, so it was an additional service over and above the standard supermarket role. In many of the smaller retail organisations we have worked with, they have had to change totally the way their businesses delivered, because of the lockdown.

You will see in the chart in the report reference to social media and quite a high number of increased vacancies there. Some of those were in the retail sector. I was with an employer last week. She had had to change the whole platform for her business. Many young people have been able to



bring confidence in social media and digital skills that maybe not everyone has—to put it like that. They have definitely been additional roles and some have led an organisation to think that might be a way to go for the future, and they have converted and offered permanent roles at the end of it. I think it reflects a shift in some of the retail activity as well as standard retail.

Q25 Peter Grant: You seem to be saying that the additional roles being filled by Kickstart employees would not have happened if Covid had not happened, but they became necessary, or at least highly desirable, because of the way retailers had to adapt to the pandemic.

Peter Schofield: The point is that they would not have happened had it not been for Kickstart. The employer would not have taken them on were it not for Kickstart, and they had to demonstrate that to us. As Karen said—

Q26 Peter Grant: I'm sorry, Mr Schofield, but the reply Ms Gosden gave indicated that we were talking about roles that either came into existence, or had to be significantly amended, because of the way the retail sector was responding to Covid and the fact that a lot of people did not want to go out shopping in person. Shops had to change their layout because they had to maintain safe distancing, and all the other things many retailers did very well. It cannot be both things. They are either jobs that would have had to be done because of Covid or jobs that they would have expected to get through the Covid pandemic without having to do.

Peter Schofield: Let me try to bridge the two. The point is that, were it not for Kickstart, the roles would not have happened because the employer would not have had a revenue stream that would have enabled them to do that. A number of employers I have spoken to have said this. They have seen that the kickstarter added value, which brought in a new revenue stream and helped them sometimes to think about a new way of doing business, such that at the end of the six months there was a business case to retain that role, but obviously to fund it themselves. That is part of the transformation. I am proud of the way kickstarters have helped to support many businesses, in this case, to enable them to grow in a way they would not otherwise have been able to do. The key thing they have to satisfy us about is that the role would not have happened were it not for the Kickstart scheme.

Q27 Peter Grant: What information are you collecting now to be able to get as objective an assessment as possible as to how well it has worked at the end of it?

Peter Schofield: It is covered in the report in terms of what we are doing now and evaluation in the future. I think the best way to do it is to think about it in three stages.

What did we have before we approved the job? It is all the things we have just described. On additionality, we needed to be satisfied about the employment support that is on offer as well. Then there is the monitoring along the way. There are two elements to that which I think matter. One



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is the work of our Kickstart district account managers, KDAMs as we call them, who work closely with employers and gateways to make sure that they deliver what they said they would deliver. They focus particularly on employment support in that context.

The third thing is the evaluation that we do at the end of the process. There are two elements to that. One is the use of administrative data to look at what happened to the individual so that we can compare it with the original business case and the survey as well. Jonathan can say a bit more about that element of the evaluation, but those are the three stages.

The NAO brings out an important point about how certain we can be about additionality. I do not know whether that is a point you want to get into it at this stage, Mr Grant. I am sure we should cover it at some point. How certain are we looking back that the job really would never have happened? That is an important point. I feel that we can answer it, but it is a question that the NAO raises and I understand why.

Jonathan Mills: That is at the company level. We also track at the sectoral and whole-economy level. If you look at the real time information data that HMRC publishes on payrolls, it has been increasing very strongly since November 2020. The vacancy data, to which Mr Smith alluded earlier, is also running at very high levels, so we keep an eye on that as an extra check to see whether there is any evidence of Kickstart vacancies suppressing vacancies in the wider economy. That is not something we have seen at the macro level or the employer level in the feedback Peter describes.

Q28 Peter Grant: Other members of the Committee will want to look in more detail at the employment support and training part of the package, so I will leave that for them.

Mr Schofield, you mentioned one case where a small business felt that security of funding for a fairly short term had allowed it to do something that potentially would mean a permanent expansion of the business, which means that the business could employ more people than it did before. Are you collecting information to show the size of businesses taking on Kickstart employees so that you will be able to see afterwards whether that has been the case?

Clearly, if a business employs three or four people, and it can employ one other person, that is something to celebrate. If it is one of the major retail chains, it is very difficult to be able to prove that the five people Tesco has taken on across the UK were anything to do with Kickstart. Are you collecting information by size of business as well as by sector to try to get a feel for how often the instance you quoted is happening? Is it happening all the time, or does it happen only occasionally? Are you collecting information to demonstrate that?

Peter Schofield: We are collecting a lot. Jonathan, do you want to say a bit about how that will work in the evaluation?



Jonathan Mills: There are a couple of things to pull out of that. First, enabling smaller employers to access the scheme is quite important to us. One of the reasons that we changed the eligibility conditions for the scheme earlier in the year was to enable smaller employers to apply directly. In the evaluation, that sort of impact is the sort of thing we want to get a feel for. We will have some of the data from the administration of the scheme on the distribution of Kickstart grants to date, but the evaluation will provide us with more insights into the extent to which it has helped employers tackle barriers, of the sort Peter describes, that they might otherwise have had to business expansion, as well as the administrative checks that we put in place as part of the approvals process.

Chair: Thank you very much.

Q29 **Antony Higginbotham:** Because of Covid lots of Government programmes were created, all at the same time and all under immense time pressure. I think we all agree that that was the right thing to do. The Government were trying to pull lots of different levers, but we also want to make sure that those levers do not overlap and we do not duplicate spend. Mr Schofield, when some of the different schemes were being created, not just in the DWP but across all of Government, how did you ensure that they all complemented one another and did not have overlapping duplicate spend?

Peter Schofield: That is a really good point. I would say there are two things. The first is to place Kickstart in the context of the wider set of plan for job schemes. Back in the summer when Jonathan and I were here before, we talked about those in their entirety. Obviously, this is more of a deep dive on Kickstart, but it is important to see that we had other types of support for those who had recently lost their jobs, like JFS, for those who had been out of work for more than three months in the case of JETS, and Restart for the long-term unemployed. It is partly about seeing it in the context of other schemes.

The other thing is to see it in the context of other things. I think this goes to the heart of your point, Mr Higginbotham, about how it fits in with what other parts of Government are doing. I will give you three examples. Jonathan was right at the heart of developing this in the plan for jobs and he will be able to say more. One is positioning it with, for example, the DFE schemes on the skills side. There is a bit of a description in the report about how that works.

The second thing is that of course the DFE operates in England, so how do we see it in the context of what was going in Wales and Scotland, for example? At the heart of that, we did a lot of work positioning Kickstart in the overall customer journey people would go through in both Wales and Scotland. In Scotland there is the young persons' guarantee with data-sharing on skills through Skills Development Scotland, and in Wales there is the youth customer journey. Kickstart sits within those.



The third thing is how we work with local authorities. Some local authorities, for example in the west midlands, are involved in being part of gateways themselves. The element that I am particularly proud of is our youth hubs in 150 different locations across the country. I think that pretty much all of them are in partnership with local authorities, aren't they, Karen? We are working to make sure that there is a place where a young person can go. They can see the Kickstart opportunity there, as well as other support offered by the local authority. Those are a number of the different dimensions. I do not know whether Jonathan wants to add to that.

Jonathan Mills: As examples of working with Departments, you talked about the Department for Education. One of the things we were particularly concerned to get right was the interface between this scheme and the apprenticeship scheme. We and DFE colleagues worked quite hard on that interface. For example, as I think the report notes, we made sure that for the purposes of the apprenticeship incentive Kickstart employment did not rule people out of that, so employers could still get the incentive to take on people in apprenticeships after Kickstart.

We went into the plumbing of it a bit as well and worked on the data-sharing we could do with DFE to enable DFE to get in contact with Kickstart employers who might not be engaged in the apprenticeship scheme already, and work with them to see whether they could encourage employers to transition kickstarters to apprenticeship provision. That was one interface. To go back to a theme we were on earlier, an example of a different sort is work with Treasury and HMRC on the CJRS furlough scheme. We worked with HMRC to understand what the likely flows would be and the population of people on CJRS, so that we could, for example, make decisions about the at-risk population, if you like, as CJRS came to an end.

Q30 **Antony Higginbotham:** We have a youth hub in Burnley and the team there is brilliant. To pick up on your data-sharing point, Mr Mills, is it the case that if you are a plumber and you are a one-man band you look at it and say, "I'll take a kickstarter for the first time"? Will someone follow up during the course of the kickstart and say, "Have you thought about an apprenticeship?" Lots of businesses will not have thought about taking on an apprentice because they are on their own. Is there a follow-through to make sure that we are having those conversations?

Jonathan Mills: I cannot speak for the specifics of the plumber, but that is certainly the intention. What we have been trying to do with DFE is make sure that we can share with them information about employers and gateways that have kickstarters but are not currently engaged in apprenticeship activity, so that they can have that handover and talk to them about whether an apprenticeship might be the next step for them. That is the aim we have been driving at.

Q31 **Antony Higginbotham:** That is a responsibility of the DFE. I am just thinking about following those metrics because it would be interesting to see how many employers who take on a kickstarter for the first time then



take on an apprentice for the first time. Is that something DWP would track, or would the DFE track it?

Jonathan Mills: The responsibility for having that conversation would be with the education providers, as the people who know about apprenticeships. Without speaking for Karen and colleagues, I am sure that our Kickstart district account managers and work coaches, where they have relationships with the employer, would also know about the provision and might point them in that direction.

Peter Schofield: That would be the responsibility of the work coach. Karen can speak to this.

Q32 **Chair:** I think perhaps Ms Gosden can speak for herself. She is closer to the frontline than either of the two gentlemen.

Karen Gosden: Youth hubs have been mentioned. I am glad you are pleased with the one in Burnley. The youth employability coaches who work in those youth hubs as well are part of it. We have work coaches who deal with our Kickstart referrals, but we give a much bigger package of support, as you know.

There is a good example of a girl in Burnley. Even though there are vacancies in the care sector and you would think it would be easy to get a job at the moment, she was struggling and could not get her foot through the door. Her confidence was low. Through Kickstart, there was a care assistant role, which was an additional one to work alongside a care worker. She got it; her confidence has bloomed and now she feels confident. She has not finished it yet, but we feel confident that she will be able to apply in the open labour market—to go back to previous questions—for a job in the care sector. Because Mr Higginbotham mentioned Burnley in particular, I wanted to mention that case.

Overall, we have an opportunity. We prompt the customer after four months—it is voluntary; they do not have to get back to us—to have another conversation with their work coach once they have been in a Kickstart opportunity for four months. Part of that is to start to discuss with them what we might do next to help them. They may stay with the same work coach or they may go straight into another opportunity. We find customers being offered permanent opportunities straight from Kickstart, with the same organisation in some cases, which is great, but that is part of the next step. It might be an apprenticeship. It was really positive that we got that arrangement with DFE so that they could go straight into an apprenticeship and it would not count as employment. That is one of the things we do with customers at that stage.

Q33 **Antony Higginbotham:** That is helpful. Thank you. To go back a little bit to the patchwork of schemes out there, which all have their own unique purpose, figure 2 of the NAO report, on page 21, goes through the costs associated with the different schemes. Kickstart is the most expensive by a clear mile. How are you making sure that the right people use that



scheme versus some of the other schemes and then join them together? Ms Gosden, you mentioned earlier the vastly increased number of work coaches. That brings challenges around training. If you match that with the sheer number of schemes that have been created in quick succession, how are you making sure that your new work coaches understand all of the schemes that have been created, some of which have been extended? How are you marrying up all of those things to make sure we are spending every pound on the right scheme for the right person?

Peter Schofield: Shall I answer the question where it fits and Karen can answer the question on training and support, because both are incredibly important points? Kickstart is different from the other types of support, for the reasons in the NAO report, because it is job creation. The other things are about support to enable people to find a job, to find support. That is the distinction. The value for money needs to be seen on its merits, as the NAO says, as opposed to comparing it with the others in cost per intervention. It needs to demonstrate that it has had the effect that the business case said it would have, if you look at employment outcomes over the period after that. Then, exactly as you say, that brings out the important role of work coaches in directing the right people to the right roles. Perhaps Karen can answer the question about how we are training the many new colleagues who have joined us over the last year or so.

Q34 **Chair:** Thank you. Ms Gosden.

Karen Gosden: They go through a full set of training modules. We tried to make sure that, even if they joined when we were in lockdown, we did something face to face with them as a group to start with. Then they completed their training online at home because of the lockdown restrictions at that point, but they all came in and observed existing work coaches. On the back of their week's training—in some cases, three, four or five weeks—we trained them not only on the products; we have a series of things we call spotlights. This is interactive guidance on the UC system that our work coaches look at, and we can issue spotlights on whatever subject we want when there is new provision or changes. We have a series of products for training, and they have the opportunity to observe experienced work coaches.

There is an important role for the work coach team leader. In a jobcentre you may have 12, 13 or 14 work coaches with one work coach team leader. They have a clear role to coach and observe the work coaches, and clearly they direct more of that attention to the new work coaches in the first instance. Those are things like case conferencing with the work coach; sitting in on interviews; identifying for Kickstart purposes vacancies with low referrals and having a look at whether there is a mismatch or problem that they need to address; setting goals; making observations and targeted checks on new work coaches; ensuring that the case load sizes are correct; and assessing whether they are doing the right amount of face-to-face time. I think it is fair to say that we give our new work coaches a lot of support.



As I said earlier, I have worked in jobcentres all my life. There is a great spirit in jobcentres; there is a great family feeling that we are all there to make a difference to customers. We change lives every day. Almost without question, all the new work coaches I have spoken to love being part of that. It has been brilliant since we have been open. It was very difficult to achieve when everybody was sitting at home and had never met each other. They had never met their team leader or their colleagues, but now we are all back in, socially distanced in a Covid-secure environment, that team spirit is so important. Any experienced work coach will help an inexperienced one.

To come back to your question, there are observations, formal checks, trackers and a range of MI to monitor whether or not a work coach is getting the right balance between referring to Kickstart or open labour market jobs or the pre-stage to that, which would be looking at some of the other provision you have mentioned that is available to customers. There is also the flexible support fund that we can use to target advanced childcare or interview clothes at the point they are moving into work.

Q35 **Antony Higginbotham:** Is there some kind of journey that a young person might go on that is fully planned out? You identify that, sadly, Burnley had higher youth unemployment pre-pandemic than the national average, and it still does. Some of our young people are so out of the labour market that Kickstart at this point is needed, and something like the jobs entry targeted support might be as well. It is about making sure that you put the jigsaw together in the right way, with other journeys that you have off the shelf, so that you can say to one of your work coaches, "If you've got someone who has been out of work for 18 months, this is broadly what their journey will look like."

Karen Gosden: There is. The youth employability programme is supported by youth employment coaches and the youth hubs. That sets out a journey. I do not want to evade the point, but it is about discretion and judgment for an individual work coach with an individual customer. Perhaps I could give you an example of a customer we helped in Essex. She made a claim just before Covid. She was a lone parent with a 15-month-old daughter. She was housed in local authority housing. Way before they started to talk about employment, the work coach worked with her to help her secure housing that met her needs and talked about the essential living fund and gave advice and made referrals.

We do quite a lot of signposting to other provision. We looked at budgeting and referrals to a food bank and then started to talk about job search, but it was part of a package of support. The customer was interested because she had had her own mental health experiences. We got a Kickstart job as an assistant, because it was an additional role, in an occupational therapy rehab role. The customer worked with a work coach on CV and interview skills, which gave her the confidence to talk about her own mental health experiences at the interview. She got the job, which was brilliant. It was



life-changing for her and her child. We helped to find a local nursery place for her and gave her some up-front childcare costs.

I hope that gives an example; it is part of a whole package of support. Some customers do not need any of that. Some customers just need someone to get them a good opportunity, put it in front of them, support them through a couple of interviews and they fly. Some need the whole package.

Peter Schofield: There is one area where there has been more progress as well. Karen has described how we work through the DWP system, but I think it is improving the way we work between our system, if I can put it that way, and the education system and skills system as well—for example, the way youth hubs work brings everyone together. Another example would be sector-based work academies where we work with local FE colleges or training providers, so there is training, work experience and a guaranteed interview at the end.

I think this is a point we touched on briefly in the summer. How do we make sure the customer journey works when it takes us across some of the ways that Whitehall works down into the local area? Those are some examples that hopefully give the Committee assurance that we have made some progress building across some of the divides in the different systems, so that for the customer, the individual, it feels more seamless and joined up than before.

Q36 **Antony Higginbotham:** I agree with all of that. We all want to see individualised advice and support offered to people as they need it, but the difficulty you have is how you evaluate whether a scheme works as an overall scheme, or whether you have just managed to find one person where it works, particularly when quite a few of these schemes bring with them third-party providers, charities and organisations. How are you tracking all of that? Is it the scheme that is working or is it the individual provider who is providing the package that is working? What kind of tracking are you doing on that?

Peter Schofield: Jonathan will be able to say more about the detail of the evaluation, but in the case of Kickstart we will be looking at the journey the individuals have been on, in the context of people who might not have participated in the scheme but have similar characteristics. Interestingly enough, there are other programmes. To pick up your point about providers and taking the work and health programme as an example, we have an evaluation plan. The original plan was to have randomised control trials involving people who were not on the scheme, although we stopped that in the middle of the pandemic. That is the theoretically ideal way of testing additionality, which we aimed to operate in that way.

Jonathan Mills: In understanding the impact on individual participants, we are fortunate in that the data available through the RTI tax system gives us pretty good information on people's earnings. We should be able to get pretty good evidence on people's employment and earnings after



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participating in the scheme. As Peter said, the trick is to be able to distinguish those who have participated in the schemes and those who have not, without other factors coming into play, which is where you need to do propensity matching or similar techniques to make sure you have comparable groups. The work to evaluate the impact of the earlier future jobs fund used some of those techniques. They are pretty well established routes.

Chair: We will return to that later in a bit more detail. I think Mr Higginbotham has finished, so over to Stephen Timms MP. Again, a warm welcome to the Committee, Mr Timms.

Q37 **Stephen Timms:** Thank you, Chair. You have just mentioned the future jobs fund, Mr Mills. I was a fan of the future jobs fund and was pleased when Kickstart was launched. I think it was the right step to take.

Can I ask a couple of questions about the differences between the future jobs fund and Kickstart? One of them is that the future jobs fund was administered by local authorities. Why did the Department decide to administer Kickstart itself? With the benefit of hindsight, how has that worked out compared with the alternative route taken by the future jobs fund?

Peter Schofield: Jonathan might want to add to this, but at the heart of it was wanting to get it up and running quickly and at scale. As the report says, there was a question about whether local authorities had the scale to be able to do it so quickly. We felt that the direct route was the way to do it. It also meant that we could have control over how we managed the scheme and make it happen in the way we wanted it to happen quickly. At the heart of what we were doing was to have a scheme that was up and ready and able to do the first starts for the period after the furlough scheme came to an end.

Jonathan Mills: We have worked closely with local government across the plan for jobs. As Peter said, all the interventions need to be seen together to some extent, and the partnerships we have had around youth hubs and other provision have been important. In this case, when we were talking to local authorities it was at a point when they were themselves facing pretty phenomenal demands from other aspects of the pandemic, and we wanted to be able to get the right balance between getting this up at pace and getting the right capacity together.

We have had some good involvement from local authorities in Kickstart, particularly as gateways, but not just as gateways. I think about 100 of the 900 or so gateways are local authorities, and quite a lot of other providers have been working closely with their local authorities to convene provision, but, as Peter said, we wanted to get it moving at pace. Local authorities are also facing lots of other demands. We are running at about 3,500 starts a week, which is somewhat faster than the future jobs fund achieved, so the operating model seems to have delivered on that front.



Q38 **Stephen Timms:** The roll-out was much slower than you had hoped, wasn't it? I wonder whether centralisation really achieved the benefits you hoped for.

Peter Schofield: As Jonathan says, if we are comparing it with the future jobs fund, which obviously was in a completely different situation, that was a slower roll-out and weekly uptake in starts than we are seeing with Kickstart, but we felt we could get the best of both worlds and engage with local authorities and indeed other local partners, like chambers of commerce, working with us as gateways and helping us to reach into different communities and businesses that we might otherwise not have contact with.

Q39 **Stephen Timms:** Perhaps I can read you an extract from an email—the Chair has seen it as well—that I received a couple of weeks ago from the chief executive of the East London Business Alliance in the area that I represent. About Kickstart, he said: “In part, it has been amazing. Young people have gone on to get great permanent positions. The national administration of the programme though has been inconsistent, and our application for a modest extension of the programme, for which we were all encouraged to apply, has been turned down twice, for different reasons each time, and in both cases the reasons don't make much sense.” There has been a bit of a sense of frustration about the programme on the part of employers, and I wonder whether that might be partly about the central model that you went for.

Peter Schofield: It is a challenge. You said centralisation, but many employers applied via gateways, which are often local organisations. Indeed, about 70% of the starts have been through gateways, which are more locally run. The reality is that we got this out as a minimum viable product in time for what we thought was going to be the end of furlough, and we focused on particular parts of the process in order to be able to get starts moving forward. Some aspects of the processing we needed to work on and work through. The report sets out that we constantly improved, adjusted and changed as we went along, from a minimum viable product to a product that we all felt was robust enough to see us through to the end of the delivery in September next year when the final placements will come to an end.

I am sorry for employers who made good, high-quality applications and found that their experience, particularly in the early days, was not what they wanted it to be, but I hope the Committee can understand the nature of it. We could have tested it and tested it and spent a lot of time on the system, and rolled it out only when it was absolutely perfect, but the reality back in July 2020 was that we feared the employment situation was going to be very difficult and we needed the scheme up as a minimum viable product as soon as possible.

Q40 **Stephen Timms:** There has been quite a lot of employer frustration, hasn't there? I have certainly picked that up, as I am sure you have as well.



Chair: Our evidence underlines that.

Peter Schofield: I have had regular meetings with the British Chambers of Commerce, for example, throughout this period to hear from them. We were in contact with employers throughout, learning lessons and trying to improve the system. There is a schematic in the report that sets out the process and what we saw in end-to-end times of applications.

What you see in the report is that our bit of the process steadily reduced in how long it took to process from the DWP side, and often the thing that was taking time was that employers were not ready to draw down on the applications. They would make an application and get it approved, but at the next stage the employer has to fill in the template for us to start filling the roles. Often, that was the stage when employers did not come back with the templates, probably because in the middle of lockdown they did not actually need the person, or they did not have anything for the individual to do right then, but later they would come back to it. The report sets that out in detail and addresses it to some extent, but I do not want to claim that the system was perfect from the start; it was not.

Jonathan Mills: It is also worth saying that, by comparison with the future jobs fund, this is something we were doing quite differently. The relationship with private sector employers was much more important to Kickstart; it was not really part of the future jobs fund.

Q41 **Stephen Timms:** I want to ask you specifically about that point, because the focus on private sector jobs was clearly different from the future jobs fund. Ministers made it clear at the start that that was what they wanted. You told us that slightly over half of the applications were rejected. Has it proved harder—I guess it must have been—with private sector jobs to establish additionality, and has that been one of the difficulties you have run into?

Peter Schofield: It is part of it. What we were trying to do with employers was to make sure that they understood the nature of the scheme and what they would be getting from Kickstart and what we would expect of them. Karen might want to come in on this. To some extent, some of the early employers had higher expectations for the sort of claimant they would get coming through the system, or they were not entry-type roles for someone who needed some experience in the workplace. They anticipated it would be somebody who might have had quite a lot of experience in the workplace beforehand. There was a little bit of work with employees for them to understand the nature of what we could offer and what we were expecting of them. I think that was part of it. Maybe Karen can talk about some of the specifics.

Karen Gosden: To pick up Peter's point, one of the things we introduced was the Kickstart district account manager role. It was not in place to start with. I was incredibly proud of the team for getting the scheme up and running, with employers being able to apply from 2 September and our first starts happening before the end of the furlough scheme. I think that



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was a great result with national coverage, but we knew it was done as a minimum viable product.

One of the roles we introduced once we were iterating Kickstart was the Kickstart district account manager. It is quite a fundamental role. As Peter said, some employers were advertising for what they wanted, but we had not had proactive conversations with them to the effect, "This is an entry-level job; these are people who have been out of work probably for some time. Do you mean that you want a supervisor, or do you actually want an assistant?" Employers were very receptive to those conversations, but we did not have the opportunity to have them, particularly once we went into lockdown, because it was all done on the phone and online. To be honest, it was hard. Our people were everywhere across the country, as were employers. We were not necessarily getting the level of interaction and conversation that we get now.

On employer applications, in response to employer feedback, we changed the 30 limit so that employers could bid on their own. That was a good change and was in response to feedback. We were pleased to be able to do it. We got quite a lot of applications initially that were not getting through our process and were being rejected, as you highlighted.

Q42 **Stephen Timms:** On additionality grounds?

Karen Gosden: Yes. That was why we introduced the outbound call and more holistic and empowered decision making, so that our assessors phoned the employer and talked through the application with them rather than just going on what was on a form. That gave us the opportunity perhaps to get a better understanding of what they were saying about additionality and employability, which we might mention later in the hearing.

We introduced a range of changes and improvements in what we knew was a minimum viable product, but allowed us to get the scheme up and running in time for what we thought would be the end of furlough. In particular, once we were able to have face-to-face engagement, those improvements continued throughout. I recognise some employer frustration in the first instance. As Peter said, we are obviously sorry that happened, but I think it was part of getting something going in response to the Covid situation.

Q43 **Stephen Timms:** Your sense is that employer frustration is now less than it was to start with.

Karen Gosden: It is dangerous for me to say that, because you might have a particular example.

Q44 **Stephen Timms:** That email was received a couple of weeks ago.

Karen Gosden: In general, I would hope that it is.



Peter Schofield: The point about the outbound phone call is also important. I think some of the frustration was that they just got a rejection letter and they thought, "Why? I thought this scheme was for people like me and for this situation." The opportunity to talk it through properly made for better applications in the first place and a better experience for employers in understanding why we were where we were.

Karen Gosden: Having a link with the account manager was very helpful in building a relationship with our gateways, so that there was an understanding of what they were looking for and what we had to offer, rather than it just being a form in and a form out.

Q45 **Chair:** Ms Gosden, I refer you to the evidence we had from the Association of Convenience Stores, who are exactly the small employers who are able to provide these jobs. They were very frustrated. They say: "A more proactive profiling of candidates to best match them to opportunities would help to reduce reported placement drop-out rates of 20-30%." They also talk about delays in processing paperwork; long lead times from the DWP of three to 10 weeks that are unduly delaying placement start dates, and the reliability of approximate start dates. Do you recognise those concerns?

Karen Gosden: I recognise that things have improved in the speed of processing. As the report highlights, the DWP aspect of the processing is down. The report refers to 16 days; that is one of the figures in the report.

Peter Schofield: It is on page 40 of the report.

Karen Gosden: Thank you, Peter. Of course I recognise that there are genuine concerns. I hope that some of those were probably at the point when we were not able to do what we do now, which is to get everyone in to the jobcentre. I do not want to keep going back to that, but the way in we do business now is to get the employer in, get the gateway in and get the customer in.

Q46 **Chair:** You have mentioned that quite a lot, and we all get that face-to-face contact is better. All of us have had the problem. Heaven forbid that we have another lockdown. We are not necessarily at the end of remote working. What would you do differently remotely now if you could not meet face to face, or is it all dependent on face-to-face contact?

Karen Gosden: In relation to this programme I think we would be in a very different position. We know our gateways, so we would be working with existing relationships. We know our employers and our work coaches know their customers and their case load. If tomorrow face-to-face contact went, it would not be like it was before because all of those relationships are there and it would be, "Hi, Fred; it's Karen," and so on. If we were trying to do something new, we would learn and probably do more webinars and seminars from the outset. At the time, we just wanted applications; we were keen to get those through. We have definitely learned lessons from that, but for this particular programme we would not face those challenges.



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Q47 **Chair:** You feel that you have learned lessons, and there is a “How to” guide for the future Karen Gosden who might be running this if we have another pandemic and everyone has forgotten it.

Karen Gosden: Yes.

Peter Schofield: I think it comes out in the report that the way we learned from the future jobs fund, which Mr Timms was just reflecting on, is that it is a good example of doing that—taking the evaluation. At a previous hearing, we talked about where the corporate knowledge is. That is one example where DWP drew on that and learned from it.

Q48 **Chair:** Partly because you have Neil Couling who has been there forever and a day.

Peter Schofield: We cannot get through a hearing without mentioning Neil’s name.

I want to emphasise the role of the Kickstart district account manager. That was not in the original plan, but we created the role to do exactly what Mr Timms described, which is to have a relationship with someone who is not running the application process but can help the employer through the journey.

Q49 **Stephen Timms:** It did not seem to have worked in the East London Business Alliance case. They put in an application and it was turned down for a reason. It may well be that the account manager encouraged them to apply again, so they put it in again and it was rejected for a different reason.

Peter Schofield: Was this a recent case?

Q50 **Stephen Timms:** This was a recent experience.

Peter Schofield: We should take that up with the relevant district account manager.

Q51 **Stephen Timms:** Can I quote a point made in the summary of the NAO report? It says that “it has generally taken several months” to fill the vacancies that have been filled. This is another point about frustration. It has been a slow process from the employers’ point of view.

Peter Schofield: I have referred to this before. Have you got the report in front of you?

Q52 **Stephen Timms:** Talk me through it.

Peter Schofield: Figure 7 on page 40 of the NAO report looks at the average length of the process for people going through it. There are different stages with an overall average. In a purple colour, it shows the bits of the process that DWP is responsible for, and in blue it shows the bits of the process that the employer is responsible for. As I said earlier, the employer applies and we approve in principle. We then send a grant agreement back for the employer to fill in and sign. We then ask the



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employer to fill out a template saying, "I'm ready for these jobs to be filled." That comes back to us and we upload it to the system and try to fill the jobs with kickstarters.

What you see is that the time for employers to return their forms was taking longer and longer. This is an average and there are different situations, but what we have seen at different stages is that through lockdown there were moments when the employer had applied but, because of the way they were running their business, or were not able to run their business, they could not bring in the kickstarter. They said, "I have got the job approved, but I don't need that person right now." What we might have seen more recently is approval of a job, but the world is very different and they are now filling mainstream jobs for which they do not need kickstarters.

Karen Gosden: Could I add something so that it does not look as though we are saying that employers are taking all of that blue time? Part of this goes back to the date the employer applied. Because we focused on getting the scheme up and running, we began with MI that started the clock running. Some of this employer time does not mean they have been sitting on the form all that time; it means that it goes back to their original date. As Peter said, some employers did not want us to fill the vacancy for three or four months. We had a bit of a surge in vacancies being filled in September because they were in the education sector. Even though the economy had opened up in May time, they asked us to fill the vacancies in September. That accounts for some of the time on the part of the employer. More recently, the bottom chart, with application approved in 12 days, grant issued in three days and the job template uploaded in one day, is what we are delivering in DWP.

Initially, we were delighted to get applications. We were pleased when employers sent back forms. We were hoping and working to get them processed quickly. What we have now done, from July, on the back of some of the evidence, is to start proactively chasing it. When the grant agreement goes out, we ask the employer to send it back within a month, but we were not chasing them. We knew they were very busy; they were running businesses coming out of restrictions, but now we chase them after seven days, 14 days and 21 days. At 21 days, the Kickstart district account manager speaks to them and talks to them about the issue. Likewise, with the job template. Once they have signed the grant agreement, we still cannot advertise the job until the job template is received. We now chase that more regularly to try to help the employer and get them to come back to us promptly.

Q53 Stephen Timms: What you are presenting is the time taken to get to the point of advertising the job, but shouldn't you also be monitoring the time it takes them to fill the vacancy beyond the advertising point? Is that something you measure at the moment?



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Karen Gosden: I would probably have to come back on exactly what we measure formally. I know that we are now trying to have something called Quickstart Kickstart where we aim to try to get the vacancy—

Chair: And all for free on the tax—

Karen Gosden: For example, our vacancy filling guide, which we launched in June, talks about what we do in the first seven days. In the first two days, before it goes live for customers, the Kickstart district account manager has a conversation with an employer about how best to fill it. We have another review at the end of seven days about how many referrals we have made and whether there is anything about the job description that is perhaps not encouraging customers or work coaches to refer, which was the point I made earlier. Then we look two weeks after that to see if those referrals have converted into applications, and we follow it through to applications converted into starts.

Q54 **Stephen Timms:** It would be interesting to have a measure of how long it takes, beyond the point of getting to the advert, to fill the job as part of the measures.

Karen Gosden: Yes.

Q55 **Stephen Timms:** I quote from the summary of the NAO report: “The Department asks its work coaches to target Kickstart at those most likely to benefit, but it does not know how effective this has been.” How much do we know about whether it is those most at risk of long-term unemployment who benefit from Kickstart?

Peter Schofield: We have been relying on work coach discretion to a large extent. One of the other things we have been doing is to look at data about the characteristics of young people who are in roles in Kickstart. Some of that is presented in the report. We have talked before about how good our data is on ethnicity, for example. We have been improving that over time. I was glad that we were able to show what the characteristics were in terms of those from black and minority-ethnic backgrounds. There is a table in the report which sets that out and shows that, viewed against the overall average, we are better at getting people from black and ethnic-minority backgrounds.

Q56 **Chair:** That is in figure 12 on page 52.

Peter Schofield: Yes.

Q57 **Chair:** But that is not quite the answer to Mr Timms’s question. You have referred to that so you don’t need to go into it in detail. It is very clear.

Peter Schofield: But it starts to give us some examples. We are also working with gateway organisations that are particularly able to target and support people from black and ethnic-minority backgrounds and other disadvantaged groups. We are doing that, but at its heart we want Kickstart to be available for everyone we feel is at risk of scarring, and that comes down to the discretion of work coaches.



Jonathan Mills: It is also in the context of the wider plan for jobs. We have other programmes like job entry targeted support and some of the wider work we have been doing to support people looking for jobs from black and minority-ethnic communities, which will enable them to get to the start line for Kickstart, as it were.

Stephen Timms: One point the Select Committee has raised is that we are disappointed that we will not know until—

Chair: When you say the Select Committee, to be clear you mean Work and Pensions Select Committee, to avoid confusing our witnesses, as there are so many Select Committees represented here.

Q58 **Stephen Timms:** We will not know until there is an evaluation whether in hindsight the scheme has been successful for disabled people. We said we thought that data about disability status ought to be collected at the start. Is there as yet any indication about how disabled people are being supported with Kickstart?

Peter Schofield: Yes, I think that is in the same table. It is referred to in paragraph 3.16. Whereas on ethnicity we are seeing more people from a minority-ethnic background in Kickstart than would be apportioned according to the people on universal credit, it is less effective for people who have health conditions or disabilities. In part, that is because we have other schemes that are probably better and more appropriate, like the work and health programme, for example, which is targeted and designed for that.

It goes back to what I said at the beginning. It is important to look across the piece, not just at Kickstart on its own but in the context of all the different employment support interventions, and look at progress particularly of that cohort into work and the sorts of metrics we were talking about when I was with the Select Committee two weeks ago on the progress of moving 1 million more people with disabilities into work and dealing with the disability employment gap.

Q59 **Stephen Timms:** The point that the Work and Pensions Select Committee made is that we think it would be helpful to collect disability status information at the start, so that it is possible to monitor that as it goes through. PIP and DLA have been used as a proxy for the data in paragraph 3.16. That is not entirely satisfactory.

There is one further area. Kickstart is to finish in just over three months. Is that right?

Peter Schofield: The Chair mentioned 17 December. That is the last date for employers to make applications, and the last starts will be on 31 March and six months after that, until the scheme come to an end.

Q60 **Stephen Timms:** Mr Smith mentioned at the start that the number of young people on universal credit has risen very sharply. How does the Department intend in future to support this rising number of young



universal credit claimants in the absence of Kickstart?

Peter Schofield: Other schemes are in place. We have talked already about the youth offer, which continues, but the other area of focus that comes out in the report is the number of people who have been out of work for more than 12 months, and that is increasing. That is where Restart comes in, which is now up and running and ready to go.

Kickstart had its role in the particular context of the massive impact on the labour market that we foresaw back in July last year. As to where we go forward, I think we will be back to some of the challenges we have had in the labour market for quite some time. For people who have been out of work for over 12 months, that is where Restart comes in. Then there is support for people on the health journey. We talked at the Work and Pensions Select Committee about the money we got in the spending review, for example for work coaches, to support people who are waiting for their work capability assessment, because often the moment that someone has just fallen out of work is when you help them into work before they get into long-term unemployment.

I think you need to see the other schemes, and the funding we got in the spending review to be able to deliver on those, take that weight going forward and meet the challenges, which I think will last for a period of time going forward, as opposed to the very specific, real and sudden impact on the labour market that we foresaw back in July 2020 when Kickstart was developed.

Q61 **Antony Higginbotham:** I want to talk through take-up and impact. Figure 6 on page 37 of the NAO report shows the number of vacancies and the number of starts. Clearly, there is a very big difference between those two things, but that is not because we are not getting take-up from employers. It is probably fair to say that all the MPs here are encouraging employers to get out, sign up to Kickstart and offer vacancies; we all want to do our bit. Employers will obviously feel frustrated if they spend time on it, hypothesising from figure 7 that we talked about—the expanded timelines that it takes employers to send back the paper. The point of my question is that figure 6 seems to show that, if we filled the vacancies employers have, we would get quite close to the target of 250,000. Mr Schofield, you said at the start that you did not think we would get there. How close do you think we will get to 250,000 by the close of the scheme?

Peter Schofield: As the report says, the number is 168,000, which is the number we supplied to the NAO. The reason we will not get to 250,000 goes to the heart of what we talked about earlier, particularly in my answers to Mr Smith. Back in July 2020, we did not think there would be opportunities in the labour market for young people; we did not think the jobs would be there. We thought unemployment would rise very significantly and young people would be coming out of education or losing their jobs in the labour market—the jobs would not be there—and we would be able to fill 250,000 roles because we would have young people who did not have another job they could go to. What we have now seen are



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vacancies in the economy at record levels, and many young people are finding mainstream jobs. That is great. It is tremendous. We are seeing people going into Kickstart who need a bit of extra support. That is a different population, or a subset of the population that we saw back in July 2020.

Jonathan Mills: It was always our expectation that we would need to create a number of vacancies somewhat in excess of the number of starters. You will get some mismatches, and in different areas of the country some sectoral effects, so we always thought there would be a number of unfilled vacancies at the end of it. As often in the labour market, there are vacancies that do not clear. That is not a new feature, even if the numbers are slightly different at that point.

Q62 **Antony Higginbotham:** Mr Schofield, I think you were saying that the lingering population, if you like, the young people who have not gone on to Kickstart, might need more intensive support. Does that mean that what is left of the funding provided by the Treasury based on 250,000 young people, and is not spent because you only got to 168,000, still sits with DWP and you can use it on those intensive programmes of support?

Peter Schofield: That is a very good question and it was asked by the Work and Pensions Select Committee a couple of weeks ago.

Q63 **Chair:** And the answer is?

Peter Schofield: I had with me my finance director who pointed out very clearly that of course, as you can imagine, the Treasury has ring-fenced the funding for Kickstart, so anything we do not spend on Kickstart goes back to the Exchequer. I am afraid we cannot spend it on anything else.

Jonathan Mills: However, our spending review settlement then looked at the likely take-up of Kickstart, as I am sure my Treasury colleagues would emphasise, and allocated resources, for example, for the continuation of the youth offer through the spending review period. It is not a pot of money we can just dip into, but it has enabled us to recalibrate the offer over the spending review and extend it.

Q64 **Antony Higginbotham:** Did some of the spending review discussions that you had with the Treasury about what funding you would need take into account that you might not hit 250,000 kickstarters, and that some of those young people might need some of the other, admittedly lower-cost, intensive programmes?

Peter Schofield: Yes; they are different types of programmes to meet a different need, but the Treasury is looking very closely at our run-rate spend.

Q65 **Chair:** We recognise that there is a different need, but the question was a bit different; it was about making sure that there is an offer for young people who are looking for work, so was that part of your discussion with HMT?



Peter Schofield: Yes. I think that goes back to the continuation of the youth offer.

Jonathan Mills: We looked in the round at what we thought the need would be over the spending review period, and it is a slightly different offer.

Q66 **Antony Higginbotham:** Figure 13 on page 56 talks through some of the sectors that are heavy users of Kickstart. How is the Department looking at sectors of the economy where we know there are big labour shortages and making sure that we incentivise or work with employers? I am thinking of things like social care. That is very far down the list, but we know that there is a shortage. There is delivery and storage. We know there has been a problem with freight and all of that. How are you looking at sectors and trying to push those up, to make sure that, as we place young people with employers to give them skills and confidence, they are getting it in the areas where we know there are shortages?

Peter Schofield: Let me answer that in two elements, and I might bring in Jonathan in a minute. First, what is the role of Kickstart in that? Perhaps I could refer you to paragraph 3.22, and what we were trying to do. Part-way down it says, "The Department identified a number of priority sectors to engage after reviewing the early applications it received." It talks a bit about the new business team we created, which looked at particular sectors: the green industry; digital technology; social care; the charity sector; and manufacturing. We were trying to bring some of those opportunities through Kickstart. It did not necessarily then show up in the figures we got, but that was not for want of trying. I am sure that some opportunities came through that we otherwise would not have had.

The second bit, where I might turn to Jonathan, is what we are doing more broadly across Government, not necessarily with Kickstart. More broadly, how do we work across Government on some of the sectoral areas where we know we have vacancies that need to be filled? That is an important part of our work across the labour market.

Jonathan Mills: For the sectors that are experiencing particular shortages, Kickstart might not be the priority programme, because they are generating very large numbers of vacancies already. We have other interventions in the plan for jobs. Peter mentioned the sector-based work academy programme—SWAP—which looks to provide intensive training and development support to get people to a guaranteed job interview. We have certainly used that in some of the sectors you named.

More widely, with the lead Departments for the sorts of sectors you are talking about we have been working closely to get our customers linked in. Social care is a good example. There are some great initiatives in different jobcentre districts linking with social care providers to target sometimes slightly different populations for recruitment to social care who might not otherwise have considered it—a sort of myth-busting. Those sorts of different interventions can be more effective where the sectors are already generating very large numbers of vacancies.



Q67 **Antony Higginbotham:** I want to move on to the incentive payment of £1,500 that you give employers. Is that an incentive payment to the employer, or is it a contribution to the cost of training and the products that the employer might need to support the young person? How does the Department see it?

Peter Schofield: It is very much for employment support. It is a kind of wrap-around support in helping the young person, as well as having the placement, to gain additional skills as part of the placement. Sometimes it is to help them do the role, with training in the role. Sometimes it is mentoring support. Sometimes it is support for employability, interviews and that sort of thing. Karen, do you want to say little bit about how we assess it? They are all different. We do not have a particular pro forma, but it has to be high quality.

Karen Gosden: Similarly to additionality, it is part of the application process. The employer or gateway—obviously, we do not have new gateways now, but there are variations—set out what the employability support offer is going to be. As Peter said, that is very much what that money is for. We have seen some gateways run an employability support programme for all the employers they work with. Some organisations bring in other organisations, like the Prince's Trust, to do some of the work for them. That has been very successful. It takes different forms, but that is what it is for. We assess it at the application phase, based on what the employer says, but on an ongoing basis after that.

I keep coming back to the Kickstart district account managers. They play an important role in ensuring that the quality of experience for the customer continues and that the employability support is in place. For example, if a gateway is applying for a variation, we ask the district Kickstart account manager whether we are getting what we were told we were going to get. If it is a large number that goes to our grant approval board, there will be further questioning. How do we know that what the employer or the gateway said they were going to do on employability support is being done? There is a range of ways of checking that that is happening and encouraging it to continue, but it is very much for the customer to come out at the end of it more employable, not just because they have a recent work record on their CV, but because they have developed skills and confidence.

Q68 **Antony Higginbotham:** What happens in the instance where you look at it and say, "That is not what the £1,500 was for?" What is the follow-up or consequence for the employer who has already spent that money and the young person who, compared with kickstarters in other organisations, has missed out on some training?

Karen Gosden: We have a complex case team, as you would expect, where we have escalations of any type, which could be a customer walking into a jobcentre and saying, "I'm not having a good experience," all the way through to an account manager not being happy with what they see,



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and anything in between. That goes to the complex team and they immediately investigate.

The first thing we look at is safeguarding the customer. Is the young person getting what they need? If necessary, we would take the young person out and work with them to get them an alternative placement and check safeguarding. Very closely after that, we would make sure, in terms of the taxpayer, that we are not paying money to an organisation that is not doing what it should be doing with it. That can go as far as rescinding the grant agreement, or capping the grant agreement for future applications. We use our enhanced checking service within our own team in the Department for fraud and error. There is a range of measures we put in place if we have any concerns.

Q69 **Antony Higginbotham:** Does rescinding the grant agreement include trying to claw back the money? If it does not, was there a discussion you had internally about the right kind of response if you see clear evidence of wrongdoing or misspending, and do you have a tool to claw it back?

Karen Gosden: I think the numbers are small. I have to be careful because it is not as much my area of expertise as perhaps it should be. I do not want to say the wrong thing, but if we think there is evidence of fraud we investigate it, but it is small numbers at the moment.

Peter Schofield: Paragraph 3.26 has the numbers at the bottom. There are two elements to it.

Q70 **Chair:** There is capping it, but Mr Higginbotham is asking about clawing it back.

Peter Schofield: Or we will remove an employer from the scheme.

Q71 **Antony Higginbotham:** Say an employer took on a kickstarter and decided to use the £1,500 to buy a new MacBook, which was owned by the employer. The kickstarter might use it every now and again, but it is solid equipment and is part of the company's assets. Is that the kind of thing you would look at and say, "The kickstarter has never been trained on it, so it is not really for them"? It is not necessarily fraud, but it does not help the young person.

Peter Schofield: There are two things. The first thing is that when the application comes in it sets out what the employability support is going to be. We look at that alongside additionality and ask, "Are we going to give approval to this application?" That would set out the nature of the employability support. Typically, I do not think it would be a piece of hardware for the employer; it would typically be an investment in the individual.

The second element is the work of the Kickstart district account managers who are regularly in touch with the employer to discuss the nature of the employment support and what is being delivered, as well as the work coach talking to the participant. If we pick up from that that although there was



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meant to be wonderful training in how to do customer service, for example, but instead the employer said, "I'm not doing any of that," we would know about it through the Kickstart district account manager, or through the work coach talking to the participant, I am sure, and then we would take action.

We are very good at taking action on people who defraud the taxpayer. Maybe we do not do enough of it, as this Committee has often held me to account on, but we would do all sorts of things to make sure that we did not see a loss there. As I say, the numbers are relatively low even on capping an employer or ending grant agreements early. The numbers are relatively low, which I think gives me a degree of confidence as accounting officer.

Karen Gosden: As the payments are made retrospectively after the RTI feed, it ensures that the customer has to have been in employment before we make any of the payments.

Q72 **Chair:** I think the first payment is made after only one day, isn't it? The RTI has to prove that they actually have been there for a day to get the first payment for starting the job.

Peter Schofield: I think the Committee is talking about the employability support—the £1,500.

Q73 **Chair:** Yes, sorry; it is £1,500.

Peter Schofield: Karen is talking more broadly about the wage subsidy element of the total we pay.

Q74 **Chair:** But £1,500 is not peanuts. It kicks in very quickly. In response to Mr Higginbotham, are you looking to claw any of that back? You talked about the small numbers, and you hope it is not many and all the rest of it, but what practical action are you taking to make sure that taxpayers' money is protected or that there are disincentives for employers who want to give up too soon?

Karen Gosden: We are taking lots of practical action when we identify a case, and we have lots of opportunities to do that. We take a lot of practical action to support the customer and rescind or cap grant agreements. Unless Peter tells me otherwise, I might want to come back to let you know what we do after that. I think we focus very much on stopping it and making sure that the customer is okay and that we are not giving out any more money.

Peter Schofield: There are situations where we feel it has not been quite the quality we would want. I am not aware of a situation where we have clawed money back, as opposed to not engaging with them going forward.

Jonathan Mills: To use your example, if we found out that the employer was not providing employability support and had spent it on new kit, the option is still there for the employer to start providing the employability



support and we would hope to be able to intervene at a point when we could take corrective action. They will not be holding the money in a ring-fenced account themselves. They have that option. We would seek to take corrective action and ensure that the person gets the support.

We are mindful of the risk associated with this kind of support. We thought quite hard at the start of the programme about the appropriate scale. We are spending slightly less on this element than the future jobs fund did. That was one of the lessons we learned from that programme. We thought we could get some efficiencies there, and that is another way in which we are trying to make sure that we are preserving value for money for the taxpayer.

Q75 Antony Higginbotham: I want to turn quickly to gateways. How do you think the gateways performed compared with what you expected, and why did you then extend it and say you did not have to go through a gateway, after lots of them had put in quite a lot of effort to get into that position?

Peter Schofield: Gateways have delivered the majority of the starts, and I think they have built us a diversity in the range of companies that have come to us that we could never have had if we had simply relied on direct awards alone. In that respect, they have delivered an awful lot of what we wanted. As for local engagement, we have been working with a whole range of them. For example, I have been spending quite a lot of time with the British Chambers of Commerce through this process and learning from them about how they have been able to engage with their members in a way that I am not sure we would have been able to do if we had done it directly.

As we started off the process, we felt that for very small applications we would be overwhelmed with administration if we delivered direct to them. We realised that as time went on. In response to a number of employers who said they would like to come to us directly, we felt that for smaller employers we could manage to do direct awards as well. We changed it to give employers the choice of being able to go via the gateway or to do it directly with us. There is a huge amount of benefit from it, but we realised that we were capable of delivering direct awards as well.

Jonathan Mills: We got to a point where we had such a substantial range and diversity of gateway provision that we thought energy was better put into having smaller employers alongside that. We had strong provision from existing gateways, so we did not have a business need to drive a lot more activity in that area.

Q76 Antony Higginbotham: Was that why you closed off the ability for new gateways to join the scheme?

Jonathan Mills: We got to a point where we did not have a business need for more gateways. We had sufficient gateway provision to ensure that we had a good pipeline of vacancies.

Q77 Antony Higginbotham: Do you think you could have used those



gateways slightly better? I want to come back to the £1,500. I have spoken to at least two gateways. They felt that, had they been empowered to have conversations about what the £1,500 was for, they could, almost as carrot and stick, have withheld the money until they were confident that the money would be spent in the right way. Instead, they did not have that ability and had to work to the one day and then the money was in the account, so it did not matter what advice they were able to provide and how they tried to speak to an employer; the money went straight over. Do you think in hindsight you could use gateways as part of the process to make sure that the scheme delivers what you intend?

Peter Schofield: I am absolutely up for learning the lessons from this, because it is a model that is different from the future jobs fund and something we could learn from. Many gateways delivered the employment support themselves direct as part of the deal. I think for many people that was quite a good model. Only a week or so ago, I was talking to an employer who had applied via a gateway. He said that his gateway was constantly on him saying, "Can you give evidence of the employment support that you have provided?" As accounting officer, I was rather heartened to hear that. It was adding value as well.

As part of the evaluation, I think there is a question for us to learn from. I think we got great value from gateways, but I am sure we could learn from that and do even better. It is an interesting point. Did we give enough leverage to the gateways via the payment arrangements for the £1,500? That is a good question and we should be engaging the gateways as part of the evaluation.

Chair: That takes me back to the Work programme, but we could go through all the programmes that we have loved and lost. As we know, the involvement of intermediaries can be very important.

Q78 **Peter Grant:** Ms Gosden, paragraph 3.26 in the NAO report says that 165 of the employability support grants were terminated by the DWP. How many Kickstart employees are represented in those 165 grants?

Peter Schofield: I do not have that data.

Karen Gosden: I am not sure I have that data, but I can find it. The focus of the complex cases team has been valuable to me. It has on it our policy colleagues, fraud colleagues and operational people. We have all the right people to be able to respond very quickly, and the focus has been to respond very quickly to the needs of the individual customer, but I do not know the answer to that question, and I will have to come back to the Committee.

Q79 **Peter Grant:** To be clear, it is likely to be 165 employers, some of whom might have one or two Kickstart employees and some of whom might have significantly more. There has often been concern about a lot of the employment support schemes the DWP has promoted that some of the unemployed people who go on to them end up being taken advantage of



by their employers. What have you done to support the young people who have been very badly let down by those 165 employers?

Karen Gosden: As soon as we become aware that there are any concerns at all on any aspect of a Kickstart placement, the first priority, as I said earlier, has always been to get in contact via the work coach or directly with the young person. Ideally, we get the young person into the jobcentre sitting down with a work coach. We have a full conversation with them, or several conversations—whatever is needed—to establish what their experience has been. We then take it to the next stage. Maybe they are happy with that employer, but there just needs to be a little bit of coaching of the employer; it may be that we want to pull them out of there and work with them proactively to get them an alternative placement, which is totally within the policy intent, and work with them to get them into a future Kickstart placement.

I stress that the needs of those young people are absolutely paramount. That is why we have a team and they escalate it immediately. We follow up very quickly after that to make sure that it does not happen to other young people, as we have just been discussing.

Q80 Peter Grant: We hope that none of the things mentioned in the NAO report happen very often, but some young people are reporting serious concerns about health and safety, and some report they are not being paid for the work they are doing. How can we have got to a situation where a scheme that is supposed to help a young person's confidence to get them ready to hold down a permanent job is allowed instead to put that young person in a place where they feel worse off than ever before?

Peter Schofield: It is a good challenge, but I think you can take comfort from the fact that we are identifying them. This is a scheme where you have the work coach talking to the participant regularly with a one-month and four-month check-in, but with the opportunity to engage all the time, because there is the relationship Karen talked about before and the opportunity to put a message in the journal. The Kickstart district account manager is constantly keeping in touch with the employer and seeing what the experiences of the young people are.

It gives me assurance that we have controls and relationships in place to enable us to pick up those situations. Karen is right. The top priority is about support for the individual, because that is what this is all about. The fact is that there are identified cases. If there were no identified cases I would be suspicious, but the fact that they are low in number compared with the total number of employers participating in Kickstart as a whole gives me comfort that overall the participant experience is a good one, but we are able to spot cases where, sadly, it is not what we want and we can do something about it.

Q81 Peter Grant: In hindsight, do you regret the fact that you still do not have co-ordinated detailed monitoring and you do not have regular customer satisfaction surveys to find out about these young people?



Peter Schofield: I challenge that, Mr Grant. The nature of the relationship between the work coach and the young person means that there is that opportunity. Indeed, the work coach will reach out at the fixed points, but the young person can reach out at any point if there is something going wrong. That gives me and, I hope, you and the Committee reassurance that the relationship is there and that monitoring goes on between the Kickstart district account manager and the employer. As we have mentioned here, that contact goes on through the experience of the participant during the length of the placement.

Q82 **Peter Grant:** Are you regularly collecting consistent information from all of the account managers so that you can collate it UK-wide and see whether there are hotspots, or whether potentially some account managers are a bit too quick to intervene and maybe some are too slow to intervene? Do you do that kind of monitoring of what account managers are doing?

Peter Schofield: There is a good challenge from the NAO about whether we properly collate information. I take that as a fair challenge.

Q83 **Chair:** Mr Schofield, from your answer it has all been about, "We hope and believe this is the right number." We need tighter metrics to be confident.

Peter Schofield: These are the serious cases that have been brought out.

Q84 **Chair:** As Mr Grant says, how standardised is your monitoring of things that are less than that or that escalate to the level where you have to withdraw something? You might have a lot of people saying they are not happy, but when a good work coach speaks to them they can get them over the hump; for others, it might be more serious. We do not know what the difference is and we cannot see that from what you are doing so far.

Peter Schofield: You are right. What we have here are the serious cases at one end of the spectrum where there is good data. It goes to the complex cases team and the enhanced checking scheme, and we do something about it. In lower-level situations where it may not be right, there can be intervention between the work coach and the participant, or the KDAM and the employer. You are right. It is a good challenge from the NAO. We do not particularly monitor that because it is in a way business as usual; it is what we do. We put it right and sort it out and get it into a good situation. Are there ways that we could collect and collate it? It is a good challenge and one that we want to process in the light of the NAO report. Karen, do you want to add anything about what we build in terms of our knowledge around the work coach network?

Karen Gosden: The complex cases team has been specifically chosen. It is led by one of our most experienced leaders in the Kickstart team. He has brought together a team of experienced people. As Peter said, I take the challenge from the NAO that we do not produce that MI, but we are gathering knowledge in a team of people who have been consistent and in place for a long time. Those individuals, although not called that team, have worked on Kickstart from its beginning. I have confidence. I hope that we can portray some confidence that an individual customer in difficulty



will be supported. We will identify it through the work coach or ongoing contact, and they will be very strongly and instantly supported. That would be my level of reassurance on the quality of the complex cases team and the importance we place on the team. There is a complex cases review board for the more serious cases, and we would follow those cases through to a conclusion.

Q85 Peter Grant: Still on the question of monitoring but in a different area, Ms Gosden, paragraph 3.4 of the NAO report sets out in summary the guidance given to work coaches to make sure that the people who are put forward for the Kickstart scheme are the young people furthest from employment. It is not just helping young people who would have found a job for themselves quite quickly. How do you monitor the extent to which work coaches are following that guidance?

Karen Gosden: As I said earlier, it is primarily through the work coach team leader, observations and the quality checking regime, which is fundamental. Because work coach discretion is so fundamental to the way jobcentres operate, that is not a new framework. The quality framework and the targeted observations and checking are part of what work coach team leaders do and have done for some time. We have focused that on Kickstart.

We realised through feedback from that that it would be useful to run a series of workshops, which we did in July 2021, to support the upskilling of all our work coaches and work coach team leaders again on effective matching to Kickstart jobs. We also introduced a new spotlight, which I mentioned earlier, in our products and guidance that come out as part of the universal credit service. That was issued at the same time. We produced a vacancy filling guide that sets out between day minus two before it goes on display, and up to week six, the roles of the work coach, the work coach team leader, the Kickstart district account manager and the Kickstart employment adviser. That follows a model that we would be observing in our next grade up, our SCO colleagues, who manage the team of work coach team leaders. We would be using that to assess that the work coach team leaders are doing their role in the quality of observations.

Q86 Peter Grant: Mr Timms earlier asked questions about how you intend to monitor the diversity of young people to make sure that there is no unintended bias in the placement process. Are you routinely collecting information about, for example, the level of formal education and qualifications that the young people have?

Karen Gosden: I think that would come out in the evaluation. We do not collect it routinely. I do not want to sound as though I am giving the same answer, but the work coach and customer interaction itself will form part of the claimant commitment and part of the plan for how that customer gets closer to the labour market, be that through the use of Kickstart, an open labour market job or the range of other provisions Mr Higginbotham asked about earlier. It is part of that, but I do not think we routinely collect education levels. We have worked with the Department for Education to



make sure that we can see this as a stepping stone. In one of the combined authorities we work with and that I know well, West Midlands, where they have promoted and supported gateway activity, there is a big link between that and how it moves into ongoing education and learning opportunities for people. They are using some of the infrastructure set up for Kickstart to help with moving on from Kickstart.

Q87 Peter Grant: The degree of formal qualifications, or lack of them, that a young person has can be quite a strong indicator, but not a guaranteed indicator, of who is most likely to find it difficult to get into permanent enjoyment—sorry, permanent employment, although it may be permanent enjoyment as well.

Chair: Let's hope.

Peter Grant: What other potential red flags or risk factors, for want of a better term, about a young person's background are you recording so that you can demonstrate that the people who have been put into jobs through Kickstart are genuinely the ones whose circumstances would have made it more difficult for them to find work otherwise?

Peter Schofield: There are two aspects to that. One is the nature of the relationship that we build at a work coach level with the individual, understanding that individual and what their barriers are. Genuinely, we need to understand the individual. We do not seek to put people into boxes at that stage. What we seek to do is understand the individual and develop a claimant commitment with that individual that is right for them. That will reflect where they are in their educational background, their—

Q88 Chair: Mr Grant is talking about something more systemic. You have talked a lot about personalised support, but drawing back from that, what patterns are you seeing and learning from?

Peter Schofield: That is the second thing. In terms of the question, how do we evaluate Kickstart as a scheme? We will look at the administrative data that we have on individuals, and we are better at collecting things like data on ethnicity, for example, as part of the process. Jonathan may want to say a bit more about how we are going to draw together our administrative data to look at the impact of Kickstart on those who were participating, and compare that with the prospects of, and what happened to, individuals who looked like they had similar characteristics but were not participants in Kickstart.

Jonathan Mills: In the evaluation we will do as the programme runs through to completion, we will be able to use our administrative data and we may be able to link with other administrative data as well. We have done a bit of that already. For example, the NAO report describes the work we did to look at the ethnic background of participants in Kickstart, which showed that black and minority-ethnic participants were represented slightly more strongly than in the UC population more widely, but we will be able to look at wider options for linking datasets when we do the administrative work in the evaluation.



Chair: Looking at the graph, let's not overplay it. It is a little bubble, not dramatic, but it's there.

Q89 **Peter Grant:** I fully understand what you are saying, Mr Schofield, about the process the work coach goes through with each individual participant. I fully understand that, but when you come to do the final analysis of Kickstart, can we expect to see something that says that in the general population of universal credit claimants X% held a university degree, and in the number of people placed in Kickstart placements X% held a university degree, so that at the very least we can be shown quantitatively that the scheme has not unintentionally found jobs for university graduates who would have found a job in any case?

Peter Schofield: I do not know about that, but there will be certain characteristics we will collect, and ethnicity is one of them. What we will seek to do to meet the business case set out here is demonstrate that, when you compare people with similar characteristics who were on the scheme with those who were not, there was an improvement in their prospects—how much longer they stayed in employment, or how much less time they were on benefits. That is a key part of the evaluation that the use of administrative data will do.

Q90 **Peter Grant:** One selling point in the scheme is that it helps young people to become more employable as a result of being in the scheme, which nobody would argue with. You have given quite a lot of information as to how you would expect to be able to demonstrate that either now or later.

Another key element is that it is targeted towards young people who are most likely to be at risk of long-term unemployment. With respect, I am still not hearing anything that makes me absolutely certain that, when the full evaluation comes to be done, there will be something that allows anybody who is interested to look at it and see quite clearly that the young people helped by the scheme are much more likely to have had educational backgrounds, or life history backgrounds, that made them more difficult to find jobs for.

I am not saying it will not happen; I am simply asking. Can we expect to see quantitative analysis that would make even a sceptic accept that you had actually targeted effectively the section of the young population that the scheme was supposed to target?

Peter Schofield: The bit I am not sure I have been able to answer—maybe I should write to you about it—is around the educational background of the individual and how we collect that data. I am more confident about many other aspects that would be able to describe the individual. At the heart of this is enabling people who otherwise would not have an opportunity—

Q91 **Chair:** We know about that. You will write to us about it.

Peter Schofield: When I write to you, I—

Q92 **Chair:** We are keen to see what metrics you are using and how consistent they are.



Q93 Nick Smith: I want to pick up the thread that Peter has drawn us along. Mr Schofield, can we look together again at figure 9 on page 43? I want to return to that key group—the 16 to 24-year-olds who have been on universal credit for more than 12 months. In February 2020, there were approximately 50,000 of them. That number shot up to 175,000 in May 2021. There have been good efforts since, and the number dropped to just below 150,000 in September 2021, but that is still triple the number in February 2020. The proportion of young people from that group compared with the other groups is still the biggest number by a long way. By when do you think that number will come down, so that it is much closer to the 50,000 we saw in February 2020?

Peter Schofield: There are lots of factors at work as you will understand. What drove this was the nature of the labour market and the pandemic. When you get to the point where you have 150,000 young people, or close to it, who have been out of work for more than 12 months, there are often quite deep-seated issues. What we were seeking to do with Kickstart was to avoid that population growing. What we do not know, and the evaluation may be able to tell us in time, is something about what that bar chart would have looked like without Kickstart. I am confident that it has prevented many young people from being out of work for more than 12 months, but the reality is that there has been an increase in the number of young people out of work for more than 12 months.

This is where other schemes come in. There is a big role for Restart, which is rolling out at the moment. We see Restart making a significant impact on those young people and many hundreds of thousands of people—it is not just young people; it is people of every age—alongside other types of intensive support that we offer. We want to bring that down. What the evaluation would not do, and what I would not do at this stage, is tell you what the number would be, because it depends on the nature of the economy. The nature of the evaluation is to look at what it might have been without and to compare and contrast that, and that is what we will be doing with Restart going forward as part of the evaluation plan.

Q94 Chair: Do you have anything to add, Mr Mills?

Jonathan Mills: On the chart to which you were drawing our attention, it is worth remembering that this is happening against the backdrop of the transition to universal credit. The bar chart lines, I think, indicate how long people have been on universal credit rather than just the period when they had been unemployed. We would expect that number to increase somewhat over time because the more people there are on universal credit, the fewer who are on legacy benefits; they are not on jobseeker's allowance any more, so a higher proportion of those who are unemployed will have been on universal credit because they will have been in low-paid work previously. That is why you might expect the number of young people on universal credit to be increasing over time.

In reference to a previous question, I have had reassurance that the level of education will be covered by the evaluation.



Q95 **Chair:** I would hope so. We all recognise the need to introduce this scheme; we all understand why it was important at the time, and may still have an important role to play, despite what appears to be an uptick in the economy. It is always important that lessons are learned. We have seen schemes that have not done so well in the past.

My final question is about how you will provide information to Parliament and this Committee and our sister Committee, the Work and Pensions Committee. You disagree with our recommendation to produce quarterly statistics and regular data updates, but it would be very helpful if we could agree some metrics that you produce on this. The deadline is 17 December and then you have the deadline of 31 March for enrolments and then they have time to run. There are different steps and important information that it would be very useful to have. Would you commit to providing us with that? Perhaps we can talk to the National Audit Office and to you about how you record that?

Peter Schofield: The area where we pushed back was the concept of a quarterly statistical release in the context of schemes that were due to run their course relatively soon. I hope that the Committee is finding quite helpful some of the releases we have been putting out more recently on Kickstart, Restart and some of the other programmes. We have talked before about the minimum viable product. Some of our data was quite manual and needed a lot of QA. Over a period of time it has improved, so we are able to release more reliable data, and we have been doing so more recently.

Q96 **Chair:** Perhaps we should take it offline and have a discussion with you about it. I hope I speak for both Committees when I say that what we need and want is regular data we can very clearly measure progress against to keep an eye on how taxpayers' money is being spent and the impact on young people going through it. We are always keen to see improvements.

Peter Schofield: I have just been handed some data that I think answers a question Mr Grant was asking earlier.

Q97 **Chair:** The wonders of the efficient civil service.

Peter Schofield: It just happened.

Chair: It just popped into your head.

Peter Schofield: I do not know why I did not remember it myself. The question was about the number of young people in the complex cases that we had had to cap or address. In those complex cases, 1,657 young people were in placements; 500 were allowed to finish their Kickstart job and 1,157 were withdrawn from their Kickstart job and alternative support was provided. I think that addresses in part the question that was asked.

Q98 **Chair:** There are still quite a few thousand young people who face a challenge. I think that demonstrates, Mr Schofield, that behind every powerful man there is an even more powerful and clever woman whose face is not visible because of a mask, probably for her benefit. Without



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your team, you would be just Mr Peter Schofield instead of a permanent secretary.

Peter Schofield: That is true.

Chair: I am sure you acknowledge the support of your team.

Thank you very much indeed for your time. This is an interesting scheme, and all of us have constituents who have benefited from it. We all want to see it work, but there are big challenges about making a scheme like this work. We will continue to be robust in challenging you to make sure that it does the best it can, and to be critical where that is fair. Thank you for your time. The uncorrected transcript of this hearing will be on the website in the next couple of days, and we will be publishing a report on this after Christmas.