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Committee of Public Accounts

DWP Employment Support: Kickstart Scheme

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*Report, together with formal minutes relating
to the report*

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The Committee of Public Accounts

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Contents

Summary	3
Introduction	4
Conclusions and recommendations	5
1 Administering Kickstart and future employment support schemes	9
Implementing Kickstart as an emergency intervention	9
Managing the process of filling Kickstart vacancies	11
Evaluating Kickstart's performance	12
2 Providing support to young people at risk of long-term unemployment	14
Targeting Kickstart on individuals who would most benefit	14
Assuring the quality of Kickstart jobs and employability training	15
Finding the best mix of interventions for different claimants	16
Formal minutes	18
Witnesses	19
Published written evidence	19
List of Reports from the Committee during the current Parliament	20

Summary

To combat the forecasted surge in youth unemployment at the end of the COVID:19 Furlough scheme in September 2020, the Department for Work & Pensions (the Department) introduced a £1.9 billion Kickstart scheme to create jobs for up to 250,000 young people that would each last six months, pay at least the minimum wage, and provide at least 25 hours a week of work. We support the intention of supporting young people into work at what was expected to be a downturn in employment opportunities. The scheme was implemented at immense speed, but the early delivery was chaotic with the Department neglecting to put in place basic management information that would be expected for a multi-billion-pound grant programme. As a consequence, the Department has not monitored and does not know whether it is putting the right people onto Kickstart, why people who are not taking up Kickstart jobs are not doing so, or what employers are providing with the £1,500 employability support grants awarded for each young person taken on through the scheme.

Now over one year since the scheme was launched, and as a result of stronger than expected economic growth, it is clear that more people found non-Kickstart jobs than the Department initially anticipated. As a result of this, and the opening up of the economy during 2021, the Department is now forecasting that Kickstart will support far fewer young people (168,000) and also cost much less (£1.26 billion) than envisaged. However, despite these more favourable conditions many of the young people who joined Universal Credit at the start of the pandemic have remained on the benefit since, and the Department has been unable to explain why these people have not moved into Kickstart jobs. At the same time many employers have been frustrated at how long it has taken to fill their Kickstart vacancies, with many waiting months for vacancies to be filled, with no guarantee they ever will be.

The Department aims to provide tailored help based on the understanding its work coaches have of the claimants they work with. However, during our inquiry, it became clear that there isn't a managed "pathway" or sequence of interventions for each young person, such as somebody who needs to build confidence before they are ready to apply for an open market or Kickstart job, or what engagement there is with employers to sustain employment after Kickstart. It is also hard to see how the Department is using Kickstart in concert with its other employment schemes and therefore getting maximum value for the taxpayer without duplicating spend.

Moving forward the Department has plans to evaluate Kickstart, but, without sufficient monitoring of how the programme has worked in practice as it has gone along, this will only produce partial results. The Department needs to set out much more clearly how it will measure success across all of its employment support schemes, and report more regularly on how schemes are progressing.

Introduction

The Department launched the £1.9 billion Kickstart Scheme in September 2020, as part of its response to the COVID-19 pandemic. It planned for Kickstart to create up to 250,000 jobs that would each last six months, pay at least the minimum wage, and provide at least 25 hours a week of work for young people aged 16–24 who were: on Universal Credit; had little or no income; and whom the Department’s front-line work coaches believed were at risk of long-term unemployment. The Department initially planned to put 250,000 people into Kickstart jobs by the end of December 2021. However, more people found non-Kickstart jobs than the Department had expected as the economy opened up during 2021, and as vacancies in the wider economy reached record levels. In October 2021, the Department extended the scheme to allow new Kickstart job starts until the end of March 2021, and now expects to put around 168,000 young people into Kickstart jobs, at a cost of around £1.26 billion.

Conclusions and recommendations

1. **The Department launched Kickstart very quickly but at the expense of clear guidance and basic management information.** The Department designed Kickstart, in summer 2020, as an emergency intervention to address a forecast rise in youth unemployment as a result of the pandemic. Anticipating a surge in youth unemployment at the planned end of the furlough scheme in October 2020, the Department worked intensively to be in a position to start offering Kickstart jobs by this time. In reality, the furlough scheme was extended to September 2021. Basing Kickstart on a previous, similar scheme (the Future Jobs Fund) allowed the Department to design and launch Kickstart in a matter of weeks; however, it also decided to introduce significant design changes which it was unable to trial within its timetable. In order to move so quickly the Department adopted an ‘agile approach’, launching Kickstart as a ‘minimum viable product’, and seeking to refine its details in operation. This created problems engaging with employers and managing the scheme, because Kickstart’s rules were not clear and its systems for producing and monitoring management information were under-developed, denting employers’ and potential Gateways’ confidence that the Department had a grip on how the scheme would work in practice.

Recommendation: *The Department should:*

- a) *review how it will be able to maintain the administrative processes and relationships it has established in the Kickstart Scheme, so that in a future recession it will be able to ramp up a successor scheme without having to design administrative processes, guidance and management information from scratch. It should write to us with details of this review within six months; and*
 - b) *develop and periodically review a ‘recession plan’, with a set of well-designed policy proposals to rapidly address a surge in unemployment, reflecting evidence and lessons from previous schemes in Great Britain and internationally.*
2. **Many employers have been frustrated at the slow progress in finding suitable people to fill the Kickstart vacancies they have created.** The Department initially aimed for 250,000 people to have started Kickstart jobs by the end of December 2021, but in practice take up of the scheme has been slower. Although the number of young unemployed people searching for work has been well over 200,000 in every month since April 2020 and employers have offered well over 200,000 potential Kickstart jobs, there had only been around 100,000 Kickstart job starts by the beginning of December 2021. The Department attributes the slower than expected progress to wider economic and policy factors, such as the extension of the furlough scheme, the reintroduction of national lockdown in early 2021, and the reopening of the economy in summer 2021. The Department also considers that some employers may initially have set their expectations of the available candidates too high. Overall, there were around 144,000 young people claiming Universal Credit and searching for work for more than one year (the long-term unemployed) in September 2021, and the Department did not explain why this volume of people have not moved into the available Kickstart jobs. The Department also lacks data on how long it takes to

fill individual Kickstart jobs after they have been approved. Failing to have this kind of basic management information is reflective of a disappointing lack of curiosity from the Department about how the scheme is actually working for employers and the young people that the scheme is meant to help.

Recommendation: *The Department should:*

a) ensure Kickstart jobs are accessible to the people Kickstart is trying to help, and that employers have realistic expectations about the potential candidates; and

b) ensure it is able to record and report accurately on basic measures such as the number of people on Universal Credit that are suitable for Kickstart by location and how long it takes for a Kickstart job to be filled, and should write to us with this data within three months’.

3. **The Department plans to evaluate Kickstart but has not set out clearly enough the measures of success, or reported regularly enough on how the scheme is progressing.** The Department plans to evaluate the impact Kickstart has on participants’ long-term employment outcomes, comparing participants’ future employment and time on benefits to similar non-participants. In a job creation scheme like Kickstart there is a risk that some of the jobs funded would be created anyway, or will have other negative effects in the economy, such as job losses elsewhere. The Department does not expect its evaluation to robustly capture Kickstart’s impact on the wider economy, and so it will not know whether its assertion that Kickstart creates genuinely new economic activity is correct. We were surprised by the Department’s apparent lack of curiosity about how much value Kickstart jobs add to the economy and to the employers that participate. Despite our September 2021 recommendation that the Department publish more timely, granular data on its employment support programmes through a quarterly statistical update, it was not until November 2021 that the Department provided detailed, local authority and constituency data on local uptake of Kickstart by employers and participants, and then only in response to a Parliamentary Question.

Recommendation: *The Department should:*

- *set out how, on all its major employment support programmes, it will report progress as it goes along, beginning with Kickstart. It should publish performance data on its programmes on its website on a regular basis, rather than on an ad hoc basis solely as answers to parliamentary questions;*
- *ensure that plans for frequent and granular reporting are built into the design of future employment support schemes, including any proposals that feature in the ‘recession plan’ recommended earlier; and*
- *ensure its Kickstart evaluation covers as robustly as possible all of the expected impacts of Kickstart that are given in the business case.*

4. **Work coaches decide which young people will benefit most from Kickstart but the Department has no way of knowing if they refer the right people to employers.**

The Kickstart Scheme is available to young people, who are on Universal Credit and whom a jobcentre work coach believes is at risk of long-term unemployment. The Department did not set firm rules to target the scheme, such as rules over how long someone has been receiving Universal Credit, or levels of educational qualifications, and instead relies on individual work coaches to decide based on their understanding of the claimants' needs and circumstances. The National Audit Office has reported that this work coach discretion is central to the Department's wider employment support offer, and whilst this person-centric approach is welcome the lack of structured monitoring of how work coaches are helping people towards work means the Department cannot know if it is providing a consistently high quality service to all claimants. The Department has completed only occasional, ad hoc analysis of Kickstart participants' characteristics, such as their ethnicity or educational attainment to try to understand how the scheme has been targeted.

Recommendations: *The Department should use management information to monitor and manage how work coaches are deciding what support would work best for different claimants. The Department should also implement our previous recommendation, which it accepted, to publish a full evaluation of how well its work coaches provide employment support and how consistently they apply their judgement, by December 2022.*

5. **The Department does not monitor properly how well employers are supporting Kickstart participants.** The Department pays £1,500 per Kickstart participant to employers to fund set-up costs and employability support for Kickstart participants, which it hopes will make participants more employable in the future. However, it does not specify or offer detailed guidance or signposting on what employers should provide for this money and does not routinely collect data on what they actually do provide. Additionally, where employers are involved with the Kickstart Scheme through a Gateway, this funding goes directly to the Gateway and the Department has no visibility of how the money is distributed to employers, or how Gateways apply checks on employers they manage. The Department was interested in whether it could have given more leeway to allow gateways to hold back the £1,500 employability support payments until employers demonstrated it would be spent wisely, speaking about this in the context of the planned evaluation. The Department does investigate specific, potentially serious concerns that its staff or young people raise, and also has a team of Kickstart District Account Managers who discuss job quality and employability support with employers and Gateways. However, information from these discussions is not collated centrally, and the Department seemed to be overly reliant on anecdotes and to lack the tighter metrics and data to assure itself that the scheme is working as intended. When the Department finds out that an employer is providing no employment support to a young person, or employment support that is not up to scratch, it is not clear that it is able to claw back the £1,500 it has given them to provide this support.

Recommendation: *The Department should set out clear and specific expectations from employers and Gateways to ensure that Kickstart participants get the experience and the employability support that they have been promised, and it*

should begin examining a sample of Kickstart placements each month to help ensure that these expectations are being met. The Department should write to us with an update on this work in three months' time.

In addition, the Department should ensure that it is able to, and does, claw back employment support costs where the employer has not used the money in line with its expectations, and allow Gateways to withhold the £1,500 employment support until employers demonstrate high quality employability support.

6. **It is not clear how the Department uses Kickstart in tandem with its other employment support to best sustain young people in work.** The Department aims to provide tailored help based on work coach's understanding of the claimants they work with. However, it is not clear that there is a managed "pathway" or sequence of interventions for each young person, such as somebody who needs to build confidence before they are ready to apply for an open market or Kickstart job, or what engagement there is with employers to sustain employment after Kickstart. It is hard to see how the Department is using Kickstart in concert with its other employment schemes, though the Department reassured us that Kickstart participants could go on to take part in apprenticeships. We were disappointed however, at the lack of clarity on whether anyone in the Department, or the Department for Education, is responsible for making sure that a conversation with a Kickstart employer about apprenticeships actually happens.

Recommendation: *The Department should work out the best blend of all the support it offers to help Universal Credit claimants be confident to apply for a job, give each individual the best chance of getting that job, and work with employers to sustain jobs.*

It should set out the criteria by which it will determine which form of employment support it offers will be most appropriate for different Universal Credit claimants, given their age, needs, skills, and employment history. In addition, it should make sure that either itself, or the Department for Education, talk to all Kickstart employers to make sure they know what other employment schemes they could get involved in, including apprenticeships.

1 Administering Kickstart and future employment support schemes

1. On the basis of a report by the Comptroller and Auditor General, we took evidence from the Department for Work and Pensions (the Department) about the Kickstart Scheme.¹ The Government announced the Kickstart Scheme on 8 July 2020 as part of its wider Plan for Jobs, a package of measures aimed at protecting and creating jobs during the COVID-19 pandemic.² Kickstart funds employers to create six-month jobs for young people aged 16–24, who are on Universal Credit and deemed to be at risk of long-term unemployment. The funding covers 25 hours per week of employment at the national minimum wage.³

2. Kickstart was launched with a budget of up to £1.9 billion. The Department initially aimed to support up to 250,000 participants to start jobs by December 2021, when the scheme was originally scheduled to close to new entrants.⁴ The closure of the scheme was later pushed back, so that new job placements can start up to the end of March 2022, with the last Kickstart jobs ending in September 2022 when the scheme will finally close. The Department now expects there to be around 168,000 job starts before the scheme closes, and to spend around £1.26 billion on the scheme. Kickstart is the only programme the Department currently offers that creates and funds jobs directly, as opposed to supporting individuals to get into work and stay in work, for example. At a cost of around £7,000 per participant, it is also the most expensive programme the Department currently operates, on a per-person basis.⁵

Implementing Kickstart as an emergency intervention

3. The Department designed the Kickstart Scheme in response to forecasts, made during the summer of 2020, which indicated that overall unemployment rate could rise to around 12% by the end of that year, as a result of the shocks caused by the COVID-19 pandemic.⁶ The Department was concerned that a surge in unemployment might follow the closure of the Coronavirus Job Retention Scheme (the furlough scheme), then scheduled for the end of October 2020.⁷ It was particularly worried about the potential impact of rising unemployment on young people, for whom long periods of unemployment can have a ‘scarring’ effect – a long-term negative impact on their employment prospects.⁸

4. The Department wanted to launch the Kickstart scheme quickly to help prevent this anticipated increase in youth unemployment. This meant it had to work intensively to develop the scheme, despite the disruptions to work patterns and priorities caused by the pandemic.⁹ The Department had only around six weeks for detailed policy development before launching Kickstart on 2 September 2020, when it began inviting applications from

1 C&AG’s Report, *Employment support: The Kickstart Scheme*, Session 2021–22, HC 801, 26 November 2021.

2 HM Treasury, “Chancellor’s Plan for Jobs”, CP 261, 8 July 2020.

3 C&AG’s Report, paragraph 2.

4 C&AG’s Report, paragraph 2.

5 C&AG’s Report, Figure 2.

6 Q3; C&AG’s Report, paragraph 1.3.

7 C&AG’s Report, paragraph 1.3.

8 Qq2, 15; C&AG’s Report, paragraph 1.4.

9 Q39; C&AG’s Report, paragraph 2.2.

employers for the opportunity to participate in the scheme.¹⁰ Launching to this timetable meant the Department met its aim of offering job placements from the start of November 2020, just after the expected conclusion of the furlough scheme.¹¹ In practice, the furlough scheme was extended, ultimately to the end of September 2021.¹²

5. The Department based Kickstart on a previous scheme, the Future Jobs Fund, which had been evaluated positively.¹³ However, it also introduced some significant changes. Notably, the Department was keen to involve private sector employers in the Kickstart Scheme, partly because it considered that job placements in the private sector would be more likely to resemble ‘real’ jobs, and provide more lasting value as work experience.¹⁴ Accordingly, it dropped the ‘community benefit test’ which jobs had to meet under the Future Jobs Fund, as this condition was felt to have limited private sector involvement.¹⁵ Another significant change concerned the scheme’s administration: while the Future Jobs Fund had been largely administered by local authorities, the Department decided to take on much more of the administration of Kickstart itself. This included approving applications from ‘gateways’ (intermediary organisations, some of which were themselves local authorities) to operate some of the scheme’s approval and monitoring processes on the Department’s behalf.¹⁶ The Department said that it felt that the capacity of local authorities was already being stretched by the pandemic, and that it would be able to progress the scheme more quickly if it took ownership of the administration itself.¹⁷ It said that the roll out of Kickstart had in fact been faster than the Future Jobs Fund.¹⁸

6. Given the speed at which the Department developed Kickstart, it did not have time to trial the changes it had made to the Future Jobs Fund design.¹⁹ It decided to launch Kickstart as a ‘minimal viable product’, and take an ‘agile’ approach to building and refining its administrative systems once the scheme was operating.²⁰ This led to a number of challenges, with some stakeholders criticising the Department for confusion over the scheme’s rules, a lack of published data on progress, and problems in receiving referrals of candidates for advertised vacancies.²¹ The Department told us it was sorry that, particularly in the early days of Kickstart’s operation, some employers received a disappointing experience in their attempts to access the scheme.²² However, it hoped for understanding: while it could have ‘tested it and tested it [...] and rolled it out only when it was absolutely perfect’, it felt it had had to launch Kickstart urgently in view of the unemployment projections made in summer 2020.²³

10 C&AG’s Report, paragraph 2.2.

11 Q3.

12 C&AG’s Report, paragraph 2.11.

13 C&AG’s Report, paragraph 1.14.

14 C&AG’s Report, paragraph 1.15.

15 Q40; C&AG’s Report, paragraph 1.15.

16 C&AG’s Report, paragraph 1.15.

17 Q37.

18 Q38.

19 C&AG’s Report, paragraph 1.16.

20 Q42; C&AG’s Report, paragraph 2.3.

21 C&AG’s Report, paragraphs 10, 2.4.

22 Q39.

23 Q39.

Managing the process of filling Kickstart vacancies

7. The Department had aimed for Kickstart to have achieved 250,000 job starts by 31 December 2021, the initial closing date for new job placements to begin.²⁴ In practice, take up of the scheme was slower than the Department expected; by mid-December 2021 there had been 110,000 starts, with more than 200,000 vacancies still waiting to be filled.²⁵ The Department is now aiming for 168,000 starts by 31 March 2022, the new deadline for job placements to begin.²⁶ The Department attributed this slower than expected progress to a range of factors, including the extension of the furlough scheme (reducing the anticipated surge in unemployment), the reintroduction of national lockdown in early 2021 (reducing the ability of employers to expand their workforce), and the reopening of the economy in summer 2021 (enabling many young people to find jobs themselves on the open market).²⁷

8. Another factor in the reduced take up of the scheme has been the length of time taken by the Department to advertise and fill Kickstart roles.²⁸ Some employers have complained of delays, both in the Department's processes for accepting bids for vacancies, and in receiving referrals of young people to interview for Kickstart jobs.²⁹ The Department told us it was confident it had sped up its own administrative processes over time.³⁰ Conversely, the Department told us that employers were taking longer to return scheme forms, although in some cases these delays were exaggerated by shortcomings and inaccuracies in its own management information.³¹ The Department also conceded that its management information only allowed it to track how long it took to process and advertise vacancies, not how long it took to actually fill vacancies once advertised. The Department agreed that it would be interesting to be able to measure this aspect of the scheme's performance, but did not suggest it was taking any actions to develop such a measure.³² The Department's best indication from its data was that it has generally taken several months to fill each job once advertised, though some have been filled much faster.³³

9. Employers told the National Audit Office that in some cases they did not receive any referrals of job candidates at all, and that sometimes the Department removed their vacancies from its system without explanation.³⁴ The charity Catch22, which has acted as a Kickstart gateway, told us that, in its experience, even when young people are referred to a vacancy, only around 20% actually make contact with the employer. In some cases, it said vacancies would receive over 50 referrals, but not a single young person would get in touch with the relevant employer.³⁵ The Department suggested that situations like this, in which young people were referred for a vacancy but did not follow through to an interview, were less likely to happen when it was possible to bring work coaches, young

24 C&AG's Report, paragraph 1.8.

25 PQ 904719 [on labour shortages and employment schemes], 13 December 2021.

26 Q2; C&AG's Report, paragraph 2.9.

27 Q61; C&AG's Report, paragraph 2.11.

28 C&AG's Report, paragraph 2.10.

29 C&AG's Report, paragraph 2.12.

30 Qq40, 45.

31 Q52.

32 Q54.

33 C&AG's Report, paragraph 2.14.

34 C&AG's Report, paragraph 2.4.

35 Ev DE50001 Catch-22.

people, and employers together in job centres.³⁶ The Department also suggested that, in some cases, employers had unrealistic expectations of the types of role they could fill through the scheme.³⁷

10. In September 2021, the number of young (16- to 24-year-old) unemployed people claiming Universal Credit and searching for work for more than one year was approximately 144,000, three times the pre-pandemic number of 48,800 in February 2020.³⁸ In the same month there were 186,000 Kickstart vacancies.³⁹ Since April 2020, the number of young unemployed people claiming Universal Credit for any length of time has not dropped below 200,000.⁴⁰ The Department was confident that Kickstart had reduced the scale of increase in long-term youth unemployment compared to a scenario in which the scheme had not existed.⁴¹ Clearly, however, there have been sufficient Kickstart vacancies for the scheme to have made a greater contribution to reducing youth unemployment, had vacancies been filled faster.

Evaluating Kickstart's performance

11. The Department developed an evaluation plan to assess Kickstart's impacts early on in the scheme's development.⁴² This plan has two main elements. The first element is an analysis of Kickstart participants' employment records, time on benefits, and earnings after their placements have finished, compared with the equivalent outcomes for similar groups of people who did not participate in the scheme. This should allow the Department to test the assumptions it made in the scheme's business case about Kickstart's impact on individual participants. The second element is a 'process evaluation' including a commissioned survey of participants, employers, and gateways.⁴³ The Department expects this survey to ask employers about the extent to which the jobs they provided through the scheme were additional to what they would they would have provided anyway, in the absence of scheme funding.⁴⁴ Beyond this, however, the Department is not planning to carry out a robust evaluation of the additionality of the jobs created under the scheme, or their wider economic impact. It believes that this would not in practice be possible: such an evaluation would require the comparison of employers in the scheme with a comparator group of employers which did not participate, but the Department considers it would be hard to identify such a comparator group, since the scheme operated so widely with employers across the nation.⁴⁵

12. In its business case, the Department recognised the risk that Kickstart might fund jobs that would have been created anyway, and assumed that only 50% of the jobs it funded would in fact be additional.⁴⁶ However, it told us it was 'very careful' about the applications it agreed to fund, and imposed checks on the additionality of the jobs employers were proposing to create.⁴⁷ It said these checks included asking employers 'quite stringent'

36 Qq19–21.

37 Q41.

38 Q93; C&AG's Report, paragraph 17.

39 C&AG's Report, Figure 6.

40 C&AG's Report, Figure 9.

41 Q93.

42 C&AG's Report, paragraph 1.24.

43 Qq27, 36; C&AG's Report, paragraph 1.24.

44 C&AG's Report, paragraph 1.28.

45 C&AG's Report, paragraph 1.28.

46 C&AG's Report, paragraph 9.

47 Q10.

questions about whether they were planning to create the jobs in question anyway, in the absence of Kickstart funding.⁴⁸ The Department acknowledged that ‘to a degree we have to believe what they are telling us’, but implied that its tests must be robust on the basis that it had rejected nearly one in two (47%) of all applications from employers.⁴⁹ However, the Department also told us that, in an effort to increase the number of application approvals, it had adopted a practice of telephoning employers whose applications had been rejected, to ‘talk through the application with them’, and thereby ‘get a better understanding of what they were saying about additionality’.⁵⁰ Once it has awarded funding to employers, the Department does not routinely check whether Kickstart jobs are actually additional.⁵¹

13. We have previously observed that the Department’s evaluation of its employment support schemes depends on clear evidence, and that accountability to stakeholders requires detailed and timely publication of performance data during each scheme’s operation. We recommended the Department produce regular data updates on its schemes, including Kickstart, at a local granular level.⁵² However, the Department did not publish any local data (at a local authority and constituency level) on Kickstart employers and participants until November 2021, and then it was in the form of an ad hoc answer to a parliamentary question, rather than as part of a regular, highly visible publication on its website.⁵³ The Department said that, having set up the scheme quickly, it had faced difficulties with the quality of its data, but that as the reliability of its data had improved it had begun to publish more.⁵⁴

48 Q24.

49 Qq23–24.

50 Qq42, 44.

51 C&AG’s Report, paragraph 19.

52 Committee of Public Accounts, Fifteenth Report of Session 2021–22, *DWP Employment support*, HC 177, Conclusion and recommendation 5.

53 C&AG’s Report, paragraph 1.19; PQ 58900, 5 November 2021.

54 Q95.

2 Providing support to young people at risk of long-term unemployment

Targeting Kickstart on individuals who would most benefit

14. The only formal requirements for young people going into Kickstart jobs are that they are aged 16 to 24, claiming Universal Credit, and seeking work.⁵⁵ The Department issues its front-line work coaches with guidance about the types of people who might be most suitable for a Kickstart role, and then asks work coaches to use their judgement and discretion to refer young people for Kickstart job interviews. Young people should be referred when their work coach deems them ‘opportunity ready’, a good fit for an available Kickstart job, and when the young person agrees to the referral.⁵⁶ The Department says that work coaches’ discretion is fundamental to the way that jobcentres operate, and that work coaches use their relationships with, and understanding of claimants to ensure that the young people going onto Kickstart jobs are those who would have found it difficult to find work otherwise.⁵⁷ The Department told us that over 100,000 young people have been given opportunities, that it does not think they would otherwise have had, through Kickstart.⁵⁸

15. The National Audit Office reported that the Department does not know how effectively Kickstart has been targeted at those most likely to benefit, and it has previously found that the Department cannot readily assess how consistently work coaches apply discretion, or whether it is providing a consistent service over time, or between jobcentres.⁵⁹ We asked the Department how much it knew about whether the people helped by Kickstart were those at risk of long-term unemployment, and the Department said that it was relying to a large extent on work coach discretion.⁶⁰ In September 2021, we recommended that the Department undertake and publish a full evaluation of how well work coaches provide employment support and how consistently they apply their judgement.⁶¹ The National Audit Office also reported that the Department’s inability to conduct face-to-face interviews during lockdowns meant that in many cases work coaches made block referrals of claimants to employers, without discussing the suitability of the vacancies with the individual.⁶² The Department acknowledged that it was more difficult to get the right young people to engage with Kickstart when there was no face to face contact with claimants.⁶³

16. The Department conducted its first analysis of Kickstart participants’ ethnicity in August 2021, 11 months after Kickstart had launched, and found that a slightly greater proportion of Kickstart participants were from a Black or ethnic minority group than

55 C&AG’s Report, paragraph 16.

56 C&AG’s Report, paragraph 1.9.

57 Qq12, 87.

58 Q2.

59 C&AG’s Report, paragraph 16; C&AG’s Report, *Supporting disabled people to work*, Session 2017–19, HC 1991, 28 March 2019, paragraph 3.15.

60 Q55.

61 Committee of Public Accounts, *DWP Employment support*, Fifteenth Report of Session 2021–22, HC 177, 8 September 2021.

62 C&AG’s Report, paragraph 3.8.

63 Qq6, 19.

the wider cohort of 16- to 24-year-olds claiming Universal Credit and seeking work.⁶⁴ The Department made use of ethnicity data from the Longitudinal Education Outcomes data (the National Pupil Dataset) for this analysis, because its own Universal Credit data are still not complete enough to generate meaningful analysis.⁶⁵ The Department also conducted research on the first 20,000 Kickstart participants, and found that those with higher levels of education were more likely to be referred to Kickstart jobs, and also more likely to be appointed to the job once referred.⁶⁶ Although the Department advertised through ethnic radio stations and contextually-targeted digital advertising, and told us that it is working with Gateways that can target and support people from black and ethnic-minority backgrounds and other disadvantaged groups, it has not sought to use the scheme to tackle inequalities in the labour market.⁶⁷ The Department told us that it wants Kickstart to be “available for everyone we feel is at risk of scarring, and that comes down to the discretion of work coaches”.⁶⁸

Assuring the quality of Kickstart jobs and employability training

17. The Department requires employers to provide employability support to Kickstart participants alongside their jobs, an approach it hopes will make participants more employable in the future. The Department gives employers £1,500 per participant to cover the costs of providing this employability support, along with other relevant set-up costs. The Department does not specify the employability support employers should provide, but described it as “a kind of wrap-around support in helping the young person, as well as having the placement, to gain additional skills as part of that placement” and that the types of support provided can be different but have to be of high quality.⁶⁹ The Department told us that it considers what employers’ say about the employment support they plan to offer, when it assesses their applications to create Kickstart jobs.⁷⁰ The National Audit Office also reported that 70% of Kickstart jobs filled had been offered through third-party Gateways; and the Department acknowledged that it had no visibility of how Gateways were distributing the £1,500 payments for employability support, or how Gateways were applying checks on employability support.⁷¹ When we put it to the Department that Gateways could have been empowered to withhold the £1,500 payment until they knew employers were providing a good level of employment support, the Department said this was an interesting point and a question “to learn from”.⁷² It is also unclear whether the Department is able to claw back employability support funding where this has been used inappropriately, though the Permanent Secretary said that he was not aware of any situations where money had been clawed back.⁷³

18. The Department employs Kickstart district account managers to maintain relationships with employers. These account managers are expected to keep in touch with employers and to learn about young peoples’ experiences in their Kickstart jobs.⁷⁴ The

64 Qq 55, 88–89; C&AG’s Report, paragraph 3.14.

65 C&AG’s Report, paragraph 3.14.

66 C&AG’s Report, paragraph 3.15.

67 Q57; C&AG’s Report, paragraph 3.12, 3.13, 3.14.

68 Q57.

69 Q67.

70 Q67.

71 C&AG’s Report, paragraph 21.

72 Q77.

73 Q74.

74 Q80.

Department told us that district account managers focus particularly on employment support.⁷⁵ The Department does not collate centrally the information from these discussions and acknowledged that the National Audit Office had raised a “good challenge about whether we properly collate information”.⁷⁶ The Department keeps Kickstart participants’ online journals open while individuals are in a Kickstart job so that they can raise any concerns they have, although the National Audit Office reported that some journal messages were not dealt with promptly.⁷⁷ The Department also offers voluntary appointments for participants to talk to their work coaches one and four months into a Kickstart job placement but, if the claimant does not respond after two days, work coaches are instructed to close the appointment.

19. The Department does record some data on the more serious issues it has become aware of, including cases where health and safety concerns had been raised by participants or account managers, and instances where young people were working in Kickstart jobs but were not being paid. The Department told us that these ‘complex cases’ in which it had to address issues with an employer had affected 1,657 Kickstart participants. Of these 1,657 participants, the Department said that 500 were able to finish their Kickstart job while the remaining 1,157 Kickstart jobs were withdrawn and the participants were provided with alternative support.⁷⁸ The Department also gave examples of Kickstart jobs that were going well, including one example of a young person who had taken up a care assistant role, which had boosted their confidence and prospects for competing in the open labour market after their placement.⁷⁹

20. The Prince’s Trust and Catch22 are both charities that have acted as Gateways for Kickstart jobs. Catch22 describes itself as “a big supporter of Kickstart”, but told us that the quality of placements varies and said that there should be stronger minimum standards and expectations for Gateways.⁸⁰ The Prince’s Trust stressed the importance of employability support, saying that the feedback it has received was that the money for employability support is crucial to re-engage young people furthest from the labour market.⁸¹

Finding the best mix of interventions for different claimants

21. The Department said that Kickstart is “in many ways a flagship” scheme. However, it operates alongside a range of other types of support that the department provides.⁸² The Association for Convenience Stores told us that the large range of support schemes can mean that some smaller employers are hesitant to engage, as they have to consider the suitability of their business and the costs and benefits of Kickstart, apprenticeships, and other schemes they might get involved with.⁸³ The Department told us that it had worked with the Department for Education to ensure that employers could still get incentives

75 Q27.

76 Q82; C&AG’s Report, paragraph 21.

77 Q80, C&AG’s Report, paragraph 3.24.

78 Qq78, 97.

79 Q32.

80 Ev x Catch-22.

81 Ev x Prince’s Trust.

82 Q2.

83 Association for Convenience Stores.

to take on Kickstart participants as apprentices after Kickstart, although it was not able to provide a clear answer as to how the Department, or the Department for Education, ensures that businesses know about this option when a Kickstart job placement ends.⁸⁴

22. The Department told us that its youth employability work coaches and youth hubs bring together provision and services together to create a ‘journey’ for individuals, by referring people to Kickstart jobs and other schemes from the Department, and signposting people to other support which is available in the area.⁸⁵ Additionally, the Department spoke about Sector Based Work Academies, where it works with local further education colleges or training providers to offer training, work experience and a guaranteed interview. The Department also reiterated though, that developing a package of support relies on the discretion and judgment of individual work coaches, based on their understanding of claimants’ needs.⁸⁶ The Co-op Group said that there should be personalised, holistic support for young people who have had 6 months or more out of education, employment or training, and for those most at risk of long-term unemployment. The Co-op Group also suggested that there should be a government-wide ‘Young Person’s Strategy’ focused on education, training and employment, influenced by young people and that there should be continued engagement with employers to help deliver a “joined-up approach to the various initiatives such as Kickstart and others that form the Plan for Jobs”.⁸⁷

84 Qq29–30.

85 Qq29, 32, 35.

86 Q35.

87 Co-op.

Formal minutes

Wednesday 9 February 2022

Members present:

Dame Meg Hillier, in the Chair

Shaun Bailey

Sir Geoffrey Clifton-Brown

Mr Mark Francois

Peter Grant

Kate Green

DWP Employment Support: Kickstart Scheme

Draft Report (*DWP Employment Support: Kickstart Scheme*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 22 read and agreed to.

Summary agreed to.

Introduction agreed to.

Conclusions and recommendations agreed to.

Resolved, That the Report be the Thirty-ninth of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

Adjournment

Adjourned till Monday 21 February at 3:30pm

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

Monday 6 December 2021

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

[Q1-98](#)

Published written evidence

The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

DES numbers are generated by the evidence processing system and so may not be complete.

- 1 Association of Convenience Stores ([DES0004](#))
- 2 Catch22 ([DES0001](#))
- 3 Co-op Group ([DES0007](#))
- 4 International Longevity Centre UK (ILC) ([DES0006](#))
- 5 NHBF – National Hair and Beauty Federation ([DES0003](#))
- 6 The Prince's Trust ([DES0005](#))

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the [publications page](#) of the Committee's website.

Session 2021–22

Number	Title	Reference
1st	Low emission cars	HC 186
2nd	BBC strategic financial management	HC 187
3rd	COVID-19: Support for children's education	HC 240
4th	COVID-19: Local government finance	HC 239
5th	COVID-19: Government Support for Charities	HC 250
6th	Public Sector Pensions	HC 289
7th	Adult Social Care Markets	HC 252
8th	COVID 19: Culture Recovery Fund	HC 340
9th	Fraud and Error	HC 253
10th	Overview of the English rail system	HC 170
11th	Local auditor reporting on local government in England	HC 171
12th	COVID 19: Cost Tracker Update	HC 173
13th	Initial lessons from the government's response to the COVID-19 pandemic	HC 175
14th	Windrush Compensation Scheme	HC 174
15th	DWP Employment support	HC 177
16th	Principles of effective regulation	HC 176
17th	High Speed 2: Progress at Summer 2021	HC 329
18th	Government's delivery through arm's-length bodies	HC 181
19th	Protecting consumers from unsafe products	HC 180
20th	Optimising the defence estate	HC 179
21st	School Funding	HC 183
22nd	Improving the performance of major defence equipment contracts	HC 185
23rd	Test and Trace update	HC 182
24th	Crossrail: A progress update	HC 184
25th	The Department for Work and Pensions' Accounts 2020–21 – Fraud and error in the benefits system	HC 633
26th	Lessons from Greensill Capital: accreditation to business support schemes	HC 169
27th	Green Homes Grant Voucher Scheme	HC 635

Number	Title	Reference
28th	Efficiency in government	HC 636
29th	The National Law Enforcement Data Programme	HC 638
30th	Challenges in implementing digital change	HC 637
31st	Environmental Land Management Scheme	HC 639
32nd	Delivering gigabitcapable broadband	HC 743
33rd	Underpayments of the State Pension	HC 654
34th	Local Government Finance System: Overview and Challenges	HC 646
35th	The pharmacy early payment and salary advance schemes in the NHS	HC 745
36th	EU Exit: UK Border post transition	HC 746
37th	HMRC Performance in 2020–21	HC 641
38th	COVID-19 cost tracker update	HC 640
1st Special Report	Fifth Annual Report of the Chair of the Committee of Public Accounts	HC 222

Session 2019–21

Number	Title	Reference
1st	Support for children with special educational needs and disabilities	HC 85
2nd	Defence Nuclear Infrastructure	HC 86
3rd	High Speed 2: Spring 2020 Update	HC 84
4th	EU Exit: Get ready for Brexit Campaign	HC 131
5th	University technical colleges	HC 87
6th	Excess votes 2018–19	HC 243
7th	Gambling regulation: problem gambling and protecting vulnerable people	HC 134
8th	NHS capital expenditure and financial management	HC 344
9th	Water supply and demand management	HC 378
10th	Defence capability and the Equipment Plan	HC 247
11th	Local authority investment in commercial property	HC 312
12th	Management of tax reliefs	HC 379
13th	Whole of Government Response to COVID-19	HC 404
14th	Readying the NHS and social care for the COVID-19 peak	HC 405
15th	Improving the prison estate	HC 244
16th	Progress in remediating dangerous cladding	HC 406
17th	Immigration enforcement	HC 407
18th	NHS nursing workforce	HC 408

Number	Title	Reference
19th	Restoration and renewal of the Palace of Westminster	HC 549
20th	Tackling the tax gap	HC 650
21st	Government support for UK exporters	HC 679
22nd	Digital transformation in the NHS	HC 680
23rd	Delivering carrier strike	HC 684
24th	Selecting towns for the Towns Fund	HC 651
25th	Asylum accommodation and support transformation programme	HC 683
26th	Department of Work and Pensions Accounts 2019–20	HC 681
27th	Covid-19: Supply of ventilators	HC 685
28th	The Nuclear Decommissioning Authority's management of the Magnox contract	HC 653
29th	Whitehall preparations for EU Exit	HC 682
30th	The production and distribution of cash	HC 654
31st	Starter Homes	HC 88
32nd	Specialist Skills in the civil service	HC 686
33rd	Covid-19: Bounce Back Loan Scheme	HC 687
34th	Covid-19: Support for jobs	HC 920
35th	Improving Broadband	HC 688
36th	HMRC performance 2019–20	HC 690
37th	Whole of Government Accounts 2018–19	HC 655
38th	Managing colleges' financial sustainability	HC 692
39th	Lessons from major projects and programmes	HC 694
40th	Achieving government's long-term environmental goals	HC 927
41st	COVID 19: the free school meals voucher scheme	HC 689
42nd	COVID-19: Government procurement and supply of Personal Protective Equipment	HC 928
43rd	COVID-19: Planning for a vaccine Part 1	HC 930
44th	Excess Votes 2019–20	HC 1205
45th	Managing flood risk	HC 931
46th	Achieving Net Zero	HC 935
47th	COVID-19: Test, track and trace (part 1)	HC 932
48th	Digital Services at the Border	HC 936
49th	COVID-19: housing people sleeping rough	HC 934
50th	Defence Equipment Plan 2020–2030	HC 693
51st	Managing the expiry of PFI contracts	HC 1114
52nd	Key challenges facing the Ministry of Justice	HC 1190

Number	Title	Reference
53rd	Covid 19: supporting the vulnerable during lockdown	HC 938
54th	Improving single living accommodation for service personnel	HC 940
55th	Environmental tax measures	HC 937
56th	Industrial Strategy Challenge Fund	HC 941