

Kickstart - another false start

Robin Simmons *critically reviews the Kickstart job creation scheme for young people.*

In Summer 2020, the Chancellor of the Exchequer, Rishi Sunak, announced the creation of 'Kickstart', a £2 billion youth employment scheme which it was claimed would create 250,000 jobs for young people at risk of long-term unemployment (HM Treasury, 2020). Shortly thereafter, I wrote an article for *Post-16 Educator* which pointed out some of the potential shortcomings of the scheme. I also predicted that ultimately Kickstart was doomed to fail due to significant flaws in the way it was conceived, designed and delivered (see Simmons 2020). Kickstart comes to an end in September 2022 so now it is time to reflect on how the scheme worked in practice.

Kickstart was funded by the Department for Work and Pensions (DWP) and aimed to provide young people with 'high-quality employment' which, it was claimed, would allow them to build the skills, confidence and experience necessary to secure long-term sustainable work (HM Treasury, 2020). In practice, however, what this amounted to is that individuals aged under 25 and in receipt of Universal Credit were offered 6-month work placements paid at the national minimum wage (NMW) and employers were provided with taxpayers' money to cover all wages, national insurance and pension contribution costs. Employers were also given £1,500 for each young person they took on in order to improve their 'employability skills', although there was no obligation to provide off-the-job training or accredit any skills or knowledge which might be accrued. In other words, £2 billion of public funding was used to provide employers with free labour with no requirement to provide a recognised programme of education or training. Meanwhile, the National Audit Office (NAO, 2021) has pointed out that many of the firms taking part in Kickstart - and receiving state funding for doing so - may have hired young people without the existence of the scheme.

It is difficult to know where to begin criticising all this, but perhaps the first thing to say is that many young people classified as NEET (not in education, employment or training) are not actually in receipt of state benefits such as Universal Credit. So, some of the most marginalised young people did not qualify for Kickstart - despite the scheme being aimed, at least notionally, at those most at risk of long-term

unemployment. Leaving that aside, the NMW for many young people (£4.81 per hour for under-18s, £6.83 for 18 to 20-year-olds, and £9.18 for 21 to 22-year-olds) is lower than the 'adult' NMW (£9.50) - which is, in turn, lower than the 'real living wage' (£9.90 per hour; £10.85 in London). So, despite bold claims about high quality, skills, sustainable work and so on, ultimately Kickstart was designed to pay poverty wages. It is therefore unsurprising that fewer than two-thirds of the predicted number of participants enrolled on Kickstart and that many young people preferred to remain on Universal Credit rather than take part in the scheme (HCCPA, 2022).

There were also significant operational difficulties associated with Kickstart. The Public Accounts Committee highlighted:

- Basic errors in administration
- Significant gaps in management information
- Little monitoring of either the quality of work placements provided, or the use of £1,500 support grants paid to employers
- No method of funding recovery if job placements did not last.

Unfortunately, all this is unsurprising. Successive governments have effectively spent decades:

[R]unning down local authorities, the Civil Service and government agencies, and sub-contracting various functions of the state to private enterprise. Consequently, there is little capacity to deliver co-ordinated national policy initiatives and those which get off the ground often run into trouble (Simmons, 2020).

Some years ago, Patrick Ainley described the rise of the 'contract state' whereby the state contracts both in size and function through farming out many of its responsibilities to private enterprise. Such an approach is presented as promoting efficiency and value for money but is driven by neoliberal ideology, various assertions about the need for a 'small state' and the supposed inefficiency of the public sector vis-a-vis the flair and knowhow of private endeavour (Vickerstaff and Ainley, 1994). This, in turn, is associated with greed and self-interest. Big business particularly has profited

handsomely from the privatisation of numerous functions of the state - including much post-compulsory education and training, and the delivery of employability programmes which purport to equip young people with the skills, attitudes and dispositions deemed necessary to find and retain paid work. There are various problems with all this, not least the profit motive which often leads to the inappropriate placement of young people onto programmes which fail to deliver meaningful progression into mainstream education, training or employment - which can ultimately deter them from sustained engagement with the world of work (Simmons, Thompson and Russell, 2014).

Either way, Kickstart was essentially a knee-jerk reaction to the spike in youth unemployment triggered by the onset of the Covid-19 pandemic. The strategy underpinning the scheme (if strategy is the right word) was basically to throw taxpayers' money at employers in the hope this would somehow turn into jobs, or at least do something to mask youth unemployment. That the scheme failed to deliver is hardly surprising given the strategic and operational flaws associated with it. A more far-sighted and effective approach, as I explained in my previous article, would require a sustained effort to stimulate the demand for employment in areas of strategic national importance. This, I argued, might include a focus on: green and renewable energy initiatives; national infrastructure projects including the improvement of roads, railways, waterways, flood defences and so on; and a public services cadet programme to prepare young people for work in health and social care, policing, social work, youth work and related fields. In other words, areas of significant social and economic importance where demand for skilled labour is likely to exist for the foreseeable future.

I also proposed that those taking part in such initiatives should be paid at the living wage and that nationally recognised, formally accredited programmes of education and training should be provided at a level appropriate to each young person. Such training would, I envisaged, be delivered in partnership with FE colleges and universities with a strong track-record in work-based learning. This, I argued, would be likely to provide significantly better value for money than Kickstart and offer much better, more fulfilling opportunities for young people.

None of this would be possible, however, without proper infrastructure to manage and deliver a sustained programme of labour market reform. What is needed, as I explained in 2020, is a significant public body to plan, fund and deliver a comprehensive programme of job creation and work-related training. Commercialisation and marketisation has led to duplication and waste, and now the DWP has effectively handed over £2 billion of public money to employers to run a scheme which has fallen significantly

short of claimed expectations. What is needed is a national body - preferably with regional and local branches to provide labour market intelligence - to proactively plan and deliver work-related education and training, and work with employers, local authorities, trade unions and the voluntary sector, not only to meet labour market demand but to respond to the interests and needs of young people and social, economic and environmental concerns more broadly. In other words, a Manpower Services Commission (MSC) for the twenty-first century.

Many people will remember the MSC as essentially a firefighting operation providing 'make-work schemes' in order to disguise the mass unemployment of the 1980s. We should, however, remember that it was initially conceived as a corporatist body focused on strategic planning and skills (Ainley and Corney, 1990). Nowadays headline levels of unemployment are relatively low and there are substantially fewer young people classified as NEET than ten years ago. But the quality of many jobs remains poor - not only in terms of pay and conditions but also in relation to the demand for skill, low productivity, a lack of job security, and work-life balance. All this is too important to be left to the vagaries of the market. A much more comprehensive planned and managed approach is necessary if we are serious about creating high-quality work for young people today and in the future.

References

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