

# Equality Analysis for the Kickstart Scheme

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# Introduction

This document records the analysis undertaken by the Department to enable Ministers to fulfil the requirements placed on them by the Public Sector Equality Duty (PSED) as set out in section 149 of the Equality Act 2010.

The PSED requires the Minister to pay due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;
- advance equality of opportunity between people who share a protected characteristic and those who do not; and
- foster good relations between people who share a protected characteristic and those who do not.

In undertaking the analysis that underpins this document, where applicable, the Department has also taken into account the [United Nations Convention on the Rights of Persons with Disabilities](#) (CRPD), and in particular Article 19 which recognises the equal right of all disabled people to live in the community. The scheme has the opportunity to positively affect disabled individuals by getting them into work.

## Brief outline of policy

The numbers of people needing economic support have been steadily rising since early 2020. The OBR forecast that the unemployment could reach as high as 11.9% at the end of 2020 and remain at 9%, or above, throughout 2021.

Added to that, the economic effects of Covid-19 is likely to have a disproportionate impact on young people<sup>1</sup>, and recessions can have long term 'scarring' impacts on the employment prospects of those new to the labour market<sup>2</sup>.

The Kickstart scheme acknowledges and attempts to tackle the likely disproportionate economic impact on younger people as a result of the pandemic. It is a £2 billion fund which will create hundreds of thousands of high quality 6-month work placements aimed at those aged 16-24 who are deemed to be at risk of long term unemployment from Autumn 2020.

The aims of the scheme are to give young people experience of a real job, reducing their chances of long term unemployment and boosting skills and motivation to work. The policy means that employers need to meet all associated rights that arise from the Kickstart participant having an employee or worker classification (see Annex A). Employer duties will apply including health, safety and welfare requirements, national insurance and automatic enrolment pension contributions, paid holidays, written particulars of employment and equal treatment for part-time workers and the rights of agency workers. Kickstart participants will have Day 1 rights equivalent to other individuals working in the organisation.

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<sup>1</sup> Source: IFS <https://www.ifs.org.uk/uploads/BN278-Sector-Shutdowns.pdf>

<sup>2</sup> Source: IFS <https://www.ifs.org.uk/uploads/WP201727.pdf>

Alongside this, the government has also launched Plan for Jobs including an expanded Youth Offer, increase in funding of the Flexible Support Fund, expansion of Sector based work academies and a Job Finding Support Service.

## Evidence and analysis

Information about some protected characteristics is not required for the administration of benefits. Therefore, the sections below are based on available data and should be treated as a broad indication of the potential equality impact. Only through monitoring will we know the full impact on protected groups.

### Age

The scheme is specifically targeted at 16-24s starting with those on Universal Credit, but without prejudice for those of that age not in employment or on UC. Evidence suggests that entering the labour market in a weak economy can lead to earnings and employment scarring<sup>3</sup>, and for the younger generation could pose the threat of permanent damage to the economic and individual welfare<sup>4</sup>. Kickstart is designed to alleviate some of these issues.

According to the latest official labour market statistics (August - October 2020, LFS<sup>5</sup>), 596k 16-24 year olds are unemployed, of which 344k are not in full-time education. This equates to around 35% of the total unemployed population (1.69m). The unemployed rate for 16-24 year olds is also higher than the average rate (8.3% non-FTE versus 4.9% on average).

Even before the current economic situation, there was an employment gap for young people of nearly 24 percentage points (pp) compared with the rest of the working age population (August - October 20, LFS).

There is evidence that the current situation will have exacerbated this age inequality:

- Figure 1 from the IFS's report on sector shutdowns in the COVID-19 crisis shows that young people are likely to have been disproportionately affected by sector shutdowns because of Covid-19. On the eve of the crisis, employees aged under 25 were about two and a half times as likely to work in a sector that is now shut down as other employees<sup>6</sup>.
- Sectors that are shut down as a result of social distancing measures employed nearly a third (30%) of all employees under the age of 25 (25% of young men and 36% of young women). This compares to just one in eight (13% of) workers aged 25 and over<sup>7</sup>.
- At the start of the pandemic claims to UC were disproportionately from older workers. However, that trend has now reversed. Latest UC data suggests that over ¼ of all new UC claims are from people aged 16-24, up from around 20% in the same period last year.

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<sup>3</sup> Source: IFS <https://www.ifs.org.uk/uploads/WP201727.pdf>

<sup>4</sup> Adams-Prassl, A., Boneva, T., Golin, M. and Rauh, C., 2020. Inequality in the impact of the coronavirus shock: New survey evidence for the UK (<https://www.iza.org/publications/dp/13183/inequality-in-the-impact-of-the-coronavirus-shock-evidence-from-real-time-surveys>).

<sup>5</sup> December 2020 Labour Market Statistics <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/latest>

<sup>6</sup> IFS Briefing Note: <https://www.ifs.org.uk/uploads/BN278-Sector-Shutdowns.pdf>

<sup>7</sup> Source: IFS (<https://www.ifs.org.uk/uploads/BN278-Sector-Shutdowns.pdf>)

- Low earners are seven times as likely as high earners to have worked in a sector that is now shut down<sup>8</sup>. 2019 ONS earnings data (ASHE) suggests there is a correlation between age and this earnings distribution, with young people being – on average – lower paid than older counterparts.

One mitigating factor is that the majority of the affected younger workers and lower earners live with parents or others whose earnings are likely to be less affected, so many may suffer smaller hits to their living standards than otherwise<sup>9</sup>. This, however, does not diminish sizeable employment inequality that younger people face already compared with the wider population, justifying the focus on this group.

Workers aged 65+ are also more likely to work in shutdown sectors than the middle aged<sup>10</sup>. However, there is no evidence that these workers face scarring in the same way those leaving education do at a time of recession, and these workers also have access to other income sources, such as state pension.

There is also evidence<sup>11</sup> that young people are disproportionately *less* likely to be able to work from home. This means that they have been faced with the prospect of having to go to work – which for some, will not have been possible – or they are more likely to have been furloughed or made redundant as a result.

## Gender

The unemployment rate between men and women is broadly similar, with males having a slightly higher unemployment rate than women. In the latest data of people aged 16-24 and unemployed, women account for around 41.7% despite making up around 48.4% of all people this age<sup>12</sup>.

As with age, before the current situation there was a small employment gap between females and the overall working age population, of around 4pp<sup>13</sup>.

There is evidence that this may widen in the current climate. As women disproportionately work in retail and hospitality, Covid-19 is likely to have a bigger effect on their earnings and employment. Women were about one third more likely to work in a sector that was shut down than men: one in six (17% of) female employees were in such sectors, compared with one in seven (13% of) male employees<sup>14</sup>. Women therefore may be more likely to lose employment after the furlough scheme ends, assuming this group are also eligible for benefits.

Both men and women will be able to access the Kickstart scheme on the same terms, and we will monitor referrals and take-up by gender. We do not have evidence at the moment that either gender is more or less likely to take up the opportunity.

Under the Future Jobs Fund (the equivalent initiative set up to address youth unemployment after the 2008 financial crash), there were no significant differences between the impact on men and women; the scheme did not lead to inequitable impacts by gender<sup>15</sup>.

<sup>8</sup> Source: internal analysis of UC Spine April 2020

<sup>9</sup> Source: IFS <https://www.ifs.org.uk/uploads/BN278-Sector-Shutdowns.pdf>

<sup>10</sup> Source: IFS <https://www.ifs.org.uk/uploads/BN278-Sector-Shutdowns.pdf>

<sup>11</sup> [Coronavirus and homeworking in the UK: April 2020](#)

<sup>12</sup> Annual Population Survey (July 2020) accessed via [www.nomisweb.co.uk](http://www.nomisweb.co.uk)

<sup>13</sup> APS (July 2020)

<sup>14</sup> Source: IFS <https://www.ifs.org.uk/uploads/BN278-Sector-Shutdowns.pdf>

<sup>15</sup> Impacts and Costs and Benefits of the Future Jobs Fund, DWP (Nov 2012)

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/223120/impacts\\_costs\\_benefits\\_fjf.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/223120/impacts_costs_benefits_fjf.pdf)

It is possible that employers may discriminate on the basis of gender during the recruitment process, and during the 6-month job, despite the 2010 Equality Act. By using a referral process via work coaches, participants on the Kickstart Scheme will have a named contact from JCP that they will be encouraged to contact if they experience problems, who can refer them to groups like Acas or Citizen's Advice, as appropriate.

At this stage, we do not anticipate any negative impact on the grounds of gender. However, we will continue to monitor our statistics and customer and stakeholder feedback as the Scheme progresses to assess whether there are unintended or adverse consequences for either gender as a result of the overall design and/or processes of the Scheme. Action will be taken to mitigate any such negative impacts if identified.

## **Ethnicity**

The ethnic minority employment gap stands, based on the latest data, at around 10 percentage points (but has decreased over the past 20 years<sup>16</sup>), meaning that people from this group tend to already be disadvantaged in the labour market, although there is evidence of a greater range of employment rates within the group<sup>17</sup>.

Disparities in unemployment rates between ethnic groups are also wider for the 16 to 24 age group. Overall unemployment in 2019 for White people was 4%, and 7% for all minority groups combined.<sup>18</sup>

Data on ethnicity tends to be incomplete. Data from the Labour Force Survey/APS suggests around 20% of all unemployed were BAME (data up to March 2020). Using UC data on people in the "Intensive Work Search" group, around 40% of those aged 16-24 were White, and around 8% were BAME<sup>19</sup>. However, ethnicity status is unknown for the remainder of the group.

This group, on the whole face a greater likelihood of working in shut down sectors and not being able to work from home<sup>20</sup>.

There is evidence that those from an ethnic minority background have a higher risk of contracting Covid-19, experiencing more severe symptoms and higher rates of death<sup>21</sup>. This may mean that there are longer term impacts about returning to work which could result in the cohort being more likely to be involuntarily long-term unemployed.

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<sup>16</sup> ONS (2020), A09: Labour market status by ethnic group. Source: Labour Force Survey. Differences calculated from April to June 2001 to April to June 2019. A020). Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/labourmarketstatusbyethnicgroupa09>

<sup>17</sup> Labour Force Survey/APS

<sup>18</sup> Ethnicity Facts and Figures, (2021) Unemployment by ethnicity. Covers England, Scotland and Wales in the year 2019. Source: Annual population survey. Available at: <https://www.ethnicity-facts-figures.service.gov.uk/work-pay-and-benefits/unemployment-and-economic-inactivity/unemployment/latest#by-ethnicity>

<sup>19</sup> UC spine (latest May 2020)

<sup>20</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/892376/COVID\\_stakeholder\\_engagement\\_synthesis\\_beyond\\_the\\_data.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/892376/COVID_stakeholder_engagement_synthesis_beyond_the_data.pdf)

<sup>21</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/892376/COVID\\_stakeholder\\_engagement\\_synthesis\\_beyond\\_the\\_data.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/892376/COVID_stakeholder_engagement_synthesis_beyond_the_data.pdf)

Under the Future Jobs Fund, there were no significant differences in impact of the scheme by ethnicity; the scheme did not lead to inequitable impacts by ethnicity<sup>22</sup>.

It is possible that employers may discriminate on the basis of ethnicity during the recruitment process, and during the 6-month job, despite the 2010 Equality Act. By using a referral process via work coaches, participants on the Kickstart Scheme will have a named contact from JCP that they will be encouraged to contact if they experience problems, who can refer them to groups like Acas or Citizen's Advice, as appropriate.

At this stage, we do not anticipate any negative impact on the grounds of ethnicity and insofar as some ethnic groups have higher youth unemployment than the average, all else equal they may benefit more from the scheme. However, we will continue to monitor our statistics and customer and stakeholder feedback as the Scheme progresses to assess whether there are unintended or adverse consequences for ethnic minority groups as a result of the overall design and/or processes of the Scheme. Action will be taken to mitigate any such negative impacts if identified.

### **Disability**

Disabled people are already disadvantaged in the labour market, with a disability employment gap of 28.6 percentage points<sup>23</sup>. Disabled people who were out of work are around three times less likely than non-disabled people to move into work<sup>24</sup>. The scheme has the opportunity to positively affect disabled individuals by getting them into work.

18-24 year olds in the searching for work group are less likely than their older counterparts to have a health status<sup>25</sup>. 11% have a health status listed, compared with 20% of non 18-24 year olds. Those with a health status are likely to have greater barriers to work, and are therefore more likely to need support to help them avoid becoming long-term unemployed.

Although the scheme is not specifically targeted at disabled people, the scheme aims to place a range of young people. Those with disabilities accessing the scheme may face barriers to engagement:

- It is possible that some employers may discriminate on the basis of disability during the recruitment process (despite the 2010 Equality Act) due to a perception that these individuals will be harder to accommodate for a short placement;
- Employers may struggle to afford adaptations to their workplace to accommodate someone with a disability.

Employers will be offered a fixed maximum unit cost no matter the health status of the young person, which might compound the potential employer bias to those who require less support and fewer adaptations.

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<sup>22</sup> Impacts and Costs and Benefits of the Future Jobs Fund, DWP (Nov 2012)  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/223120/impacts\\_costs\\_benefits\\_fjf.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/223120/impacts_costs_benefits_fjf.pdf)

<sup>23</sup> APS (July 2020)

<sup>24</sup> DWP (2020). *The employment of disabled people* 2019.  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/875199/employment-of-disabled-people-2019.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/875199/employment-of-disabled-people-2019.pdf)

<sup>25</sup> Source: internal analysis of UC Spine April 2020. Health status defines as a live fit note in the assessment period, or a lie LCW or LCWRA WCA outcome in the assessment period.

We will mitigate for these barriers through:

- NEPT and JCP staff working closely with employers to refer employers to Access to Work funding as appropriate;
- JCP staff using discretion and knowledge of local employers and candidates to match Disability Confident employers, or otherwise suitable placements (e.g. primarily home working) to relevant candidates;
- Monitoring referrals to enable us to target support to JCPs where disproportionately few disabled young people are accessing Kickstart;
- By using a referral process via work coaches, participants on the Kickstart Scheme will have a named contact from JCP that they will be encouraged to contact if they experience problems, who can refer them to groups like Acas or Citizen's Advice, as appropriate.

The wider package of support around the Plan for Jobs includes the Work and Health Programme, which is specifically targeted at boosting employability of those with health problems and disabilities.

Under the Future Jobs Fund, there were no significant differences between the impact on those with and without disabilities; the scheme did not lead to inequitable impacts by disability<sup>26</sup>.

### **Maternity / pregnancy**

We do not specifically monitor maternity or pregnancy data as part of our labour market regime. The only data we hold on admin datasets looks at household composition and whether their household has a child or not.

According to UC payment data around 22% of 16-24 year olds are in receipt of the child element of UC. This is lower than the overall UC population, where around 55% of all households have a child element in payment.

Despite it being likely that fewer people with childcare needs go into a Kickstart job, the Government does not envisage an adverse impact on these grounds.

Kickstart placements will be at least 25 hours a week and paid at least the National Minimum Wage; employer duties will apply including health, safety and welfare requirements, national insurance and automatic enrolment pension contributions, paid holidays, written particulars of employment and equal treatment for part-time workers. However, issues of maternity pay and shared parental leave are dependent on whether employers classify their Kickstart participants as workers or employees (see Annex A).

In exceptional circumstances, an individual may request a Kickstart job for less than 25 hours. Reasonable adjustments would be considered on a case-by-case basis – maternity and pregnancy may be considered.

There is a possibility that attending placement interviews or participating in the Scheme might be practically more difficult for parents of young children or that

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<sup>26</sup> Under the Future Jobs Fund, both those with disabilities and without disabilities saw significant reductions in likelihood of being on welfare support at 104 weeks (7.9ppt reduction for those who are disabled; 7.3ppt reduction for those without disabilities), and a significant increase in likelihood of being in unsubsidised employment at 104 weeks (9.3ppt increase for those with disabilities; 10.5ppt increase for those without disabilities). Impacts and Costs and Benefits of the Future Jobs Fund, DWP (Nov 2012)  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/223120/impacts\\_costs\\_benefits\\_fjf.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/223120/impacts_costs_benefits_fjf.pdf)



employers may discriminate on the basis of pregnancy / maternity during the recruitment process, and during the 6-month job, despite the 2010 Equality Act. By using a referral process via work coaches, participants on the Kickstart Scheme will have a named contact from JCP that they will be encouraged to contact if they experience problems, who can refer them to groups like Acas or Citizen's Advice, as appropriate.

At this stage, we do not anticipate any negative impact on the grounds of maternity / pregnancy but support is available for those eligible parents of young children. to cover childcare costs during placement interviews / prior to first pay checks.

We will continue to monitor our statistics and customer and stakeholder feedback as the Scheme progresses to assess whether there are unintended or adverse consequences for pregnant individuals or parents of young children as a result of the overall design and/or processes of the Scheme. Action will be taken to mitigate any such negative impacts if identified.

### **Sexual Orientation**

The Department does not hold information on its administrative systems on the sexual orientation of claimants. The Government does not envisage an adverse impact on these grounds.

It is possible that employers may discriminate on the basis of sexual orientation during the recruitment process, and during the 6-month job, despite the 2010 Equality Act. By using a referral process via work coaches, participants on the Kickstart Scheme will have a named contact from JCP that they will be encouraged to contact if they experience problems, who can refer them to groups like Acas or Citizen's Advice, as appropriate.

At this stage, we do not anticipate any negative impact on the grounds of sexual orientation. However, we will continue to monitor our statistics and customer and stakeholder feedback as the Scheme progresses to assess whether there are unintended or adverse consequences on grounds of sexuality as a result of the overall design and/or processes of the Scheme. Action will be taken to mitigate any such negative impacts if identified.

### **Gender Reassignment**

The Department does not hold information on its administrative systems on gender reassignment. The Government does not envisage an adverse impact on these grounds.

It is possible that employers may discriminate on the basis of gender reassignment during the recruitment process, and during the 6-month job, despite the 2010 Equality Act. By using a referral process via work coaches, participants on the Kickstart Scheme will have a named contact from JCP that they will be encouraged to contact if they experience problems, who can refer them to groups like Acas or Citizen's Advice, as appropriate.

At this stage, we do not anticipate any negative impact on the grounds of gender reassignment. However, we will continue to monitor our statistics and customer and stakeholder feedback as the Scheme progresses to assess whether there are unintended or adverse consequences for individuals who have gone through or are undergoing gender reassignment as a result of the overall design and/or processes



of the Scheme. Action will be taken to mitigate any such negative impacts if identified.

### **Religion or Belief**

The Department does not hold information on its administrative systems on religion or beliefs of claimants. The Government does not envisage an adverse impact on these grounds.

It is possible that employers may discriminate on the basis of religion during the recruitment process, and during the 6-month job, despite the 2010 Equality Act. By using a referral process via work coaches, participants on the Kickstart Scheme will have a named contact from JCP that they will be encouraged to contact if they experience problems, who can refer them to groups like Acas or Citizen's Advice, as appropriate.

At this stage, we do not anticipate any negative impact on the grounds of religion. However, we will continue to monitor our statistics and customer and stakeholder feedback as the Scheme progresses to assess whether there are unintended or adverse consequences for religious groups as a result of the overall design and/or processes of the Scheme. Action will be taken to mitigate any such negative impacts if identified.

### **Marriage and civil partnerships**

Data on marital status or civil partnerships is not routinely collected, however it is a requirement for any benefit claimants to declare if they are living with a partner for purposes of calculating benefit entitlement.

Using UC Intensive Work Search data as an example, young people are less likely than non-young people to have a partner. 6% of 18-24 years have a partner recorded in this data, compared with 26% of older claimants.

Eligibility for Kickstart will depend on primarily on age and suitability for the job. It is therefore not dependent on household composition, and therefore should not discriminate against those living with or without a partner.

## **Monitoring and evaluation**

An evaluation strategy is still being developed, alongside this process. We are considering the MI requirements as part of this.

We envisage that we will want regular, periodic, evaluations that contain both quantitative and qualitative data about the participants as well as the placements. To do this we will need to record various characteristics about individuals, or create a marker that we can use – along with their National Insurance Number (NINO) – to track them on admin datasets.

By tracking individual claimants for evaluation purposes it may be possible to also use this data as part of our equalities monitoring. However, we need to be careful in interpreting any differences in Kickstart outcomes by protected characteristic to understand if they were pre-existing differences or influenced by participation in the scheme.

## When will the potential impacts be reviewed?

It has been noted that it is possible that employers might discriminate against people on grounds of ethnicity, disability, gender, sexual orientation and other factors. Our mitigation for this is monitoring and intervention. We will formally review potential impacts on an ongoing basis.

The scheme is also scheduled to be reviewed in December 2021 and will need to continue monitoring the effect of the scheme for a significant period of time beyond this date.

## Annex A

The table shows employment status and associated rights for workers and employees. Organisations may have both workers and employees. It will be up to the employer to decide whether the Kickstart participant is a worker or an employee. Kickstart participants therefore won't necessarily have the same rights as others in the same organisation, but they will have the same day 1 rights.

	Statutory right/protection	Employee	Worker	Qualifying period
Worker rights	Unlawful deductions from wages	✓	✓	Day 1
	National Minimum Wage	✓	✓	Day 1
	Paid holidays	✓	✓	Day 1
	Right to be accompanied at a grievance/disciplinary hearing	✓	✓	Day 1
	Whistleblowing	✓	✓	Day 1
	Discrimination	✓	✓	Day 1
	Equal treatment for part-time workers	✓	✓	Day 1
	Protection from detriment for trade union membership	✓	✓	Day 1
	Itemised pay slip	✓	✓	Day 1
	Written particulars of employment	✓	✓	Day 1
Employee rights - Day 1	Maternity leave / adoption leave	✓	✗	Day 1
	Time off for various activities and duties (paid and unpaid)	✓	✗	Day 1
	Equal treatment for fixed-term contract staff	✓	✗	Day 1
	Unfair dismissal (for certain <u>automatically</u> unfair reasons)	✓	✗	Day 1
Employee rights - Qualifying period	Minimum period of statutory notice	✓	✗	1 month
	Medical suspension pay	✓	✗	1 month
	Guaranteed pay	✓	✗	1 month
	Shared Parental Leave and Paternity leave	✓	✗	26 weeks
	Adoption pay, shared parental pay and maternity pay <sup>27</sup>	✓	✗	26 weeks
	Right to request flexible working	✓	✗	26 weeks
	Right to request time off for study or training	✓	✗	26 weeks
	Parental Leave	✓	✗	1 year
	Unfair dismissal (ordinary)	✓	✗	2 years
	Written reasons for dismissal	✓	✗	2 years
Statutory redundancy pay	✓	✗	2 years	

<sup>27</sup> Eligibility to statutory payments depends on whether an individual is an employee in accordance with the *Social Security Contributions and Benefits Act 1992* – see also paragraph 1.12. Some workers may be eligible for statutory payments if they meet the requisite qualifying conditions.

