



CVS Rochdale **Policy Briefing**

Youth Contract

Deputy Prime Minister Nick Clegg has outlined a £1 billion pound Youth Contract to tackle youth unemployment. The aim is to ensure that all jobless young people are earning or learning again before long term damage is done.

Starting in April 2012 and for the next three years, the Youth Contract will provide at least 410,000 new work places for 18 to 24 year olds into work. Which will include 160,000 wage subsidies and 250,000 new work experience placements.

In addition, there will be at least 20,000 more incentive payments to encourage employers to take on young apprentices. And a new programme to help the most disengaged 16 and 17 year olds - getting them back to school or college, onto an apprenticeship or into a job with training.

The [Department for Work and Pensions](#) is unable to confirm at present whether charities will be eligible for subsidies under the new £1bn youth unemployment scheme.

Policy Detail

- All figures refer to the three year period from April 2012 and are in addition to existing support.
- The Youth Contract is open to all businesses, including those that already employ large numbers of young people (like retail and construction) and emerging sectors (like the green economy, creative industries and ICT).
- The £1 billion Youth Contract is new money, not a re-profiling of existing funds. The Chancellor will announce the details of all spending changes, including the Youth Contract, in the Autumn Statement.
- 160,000 18 to 24 year olds to be taken on by employers using wage incentives. Each subsidy is worth half of the youth National Minimum Wage and lasts for six months. It is available to those who need the most help after 3 months and to all young people who have been on JSA after 9 months. All employers will be expected to pay at least the national minimum wage.
- Some employers have called for an “NI holiday” and the CBI have called for a £1,500 subsidy. The Government is going further – providing half the National Minimum Wage - £2,275 – four times the value of an NI holiday.
- A work experience place for every unemployed 18 to 24 year old who wants one (after they have been on JSA for 3 months) before they enter the Work

Programme. An additional 250,000 places will be provided. Each opportunity to experience working life will last for up to 8 weeks.

- All 18 to 24 year olds to receive extra support from JobCentre Plus (after they have been on JSA for 3 months) - weekly, rather than fortnightly signing (after 5 months); extra advisor time to provide more back to work support; and a careers interview from the National Careers Service (within 3 months).
- More funding to support the growth in apprenticeships for 16 to 24 year olds, including at least 20,000 additional incentive payments, to raise demand for the age group, doubling our previous commitment.
- A new £50m programme for persistently NEET 16 and 17 year olds to get them learning, on an apprenticeship or in a job with training. Payment will be by results - with payments for those young people sustainably engaged in further learning or an apprenticeship. This will focus on the 25,000 most disengaged young people.

The Government is providing more support and more opportunities for young people but also expect more in return. Those failing to engage positively with the Youth Contract will be actively considered for Mandatory Work Activity. And those that drop out of a work experience place or a subsidised (or other) job without good reason will lose their benefits. Mandatory Work Activity over a 4 week period aims to help claimants find out for themselves the expectations of going to work, including attending on time, following instructions, working in teams and communicating clearly.