



Youth Contract

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The Youth Contract is a package of schemes aimed at helping young people into sustained employment, launched in April 2012 combining existing schemes with new ones.

The Youth Contract measures are outlined below:

- 1. Apprenticeship Grant for Employers of 16-24 year olds (AGE 16-24):** Payments of £1,500 are available to employers with less than 50 employees that take on young apprentices.
- 2. Work experience:** Placements are available for 16-24 year olds, through Jobcentre Plus who have been claiming JSA for at least 13 weeks.
- 3. Support for 16 and 17 year old NEETs:** Payments of £2,200 are made to providers who take on 16 and 17 year olds who are not in education, employment or training and who have low or no qualifications, and those from other disadvantaged backgrounds.
- 4. Sector-based work academies:** Some 18-24 old JSA claimants will be offered a mixture of training, work experience, and a job interview at a local firm through Jobcentre Plus.
- 5. Extra support at Jobcentre Plus:** 18-24 year old JSA claimants will be offered weekly rather fortnightly signing on meetings at the Jobcentre Plus.
- 6. Funding for localised Youth Contracts:** Localised Youth Contracts are available in Leeds City Region, Liverpool and Newcastle. The cities designed their own local schemes using national funding.
- 7. Wage incentives:** Payments of up to £2,275 were available to employers who take on young people (aged 18-24) claiming Jobseeker's Allowance (JSA) for more than six months.
Enrolments for this scheme ended on 6 August 2014.

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1 Apprenticeship Grant for Employers of 16-24 year olds (AGE 16-24)

The Apprenticeship Grant for Employers of 16 to 24 year olds (AGE 16-24) pays £1,500 to small businesses hiring a young apprentice if the firm has not hired an apprentice before. AGE 16-24 aims to encourage more small businesses to hire apprentices, encourage more young people into apprenticeships and raise the skill level of apprentices.¹ The scheme, announced in November 2011,² began in February 2012.³ The eligibility criteria⁴ are as follows:

- The apprentice must be 16-24 years old when hired.
- The firm must have 50 employees or fewer when they take on the apprentice.
- For a business to be eligible for payment, the employer must not have taken on an apprentice in the last 12 months. An employer can claim up to 5 grants.

Employers will be paid £1,500 if they take on an apprentice and fulfil the above eligibility criteria. The full amount will be paid after the 13 week stage of the apprentice's appointment, with the expectation that the apprentice will progress to complete their apprenticeship.⁵

Further information is available in the Library Standard Note, [Apprenticeship Policy](#).

2 Work experience

Young people claiming Jobseeker Allowance continuously for 13 weeks may be offered a period of [work experience](#) by Jobcentre Plus to improve their skills and employability.

This scheme is aimed at 16-24 year olds who have not worked before and have no or low qualifications. Those on the scheme do not receive a wage but continue to receive benefits. Childcare and travel costs will also be paid. Participants must continue to look for permanent work and attend their regular reviews at Jobcentre Plus.

The placements last between two and eight weeks and involve between 25 and 30 hours a week of work experience. There is no benefit sanction for leaving the scheme early, unless the individual has exhibited gross misconduct.⁶

Further information is available in the Library Standard Note, [Work Experience Schemes](#).

¹ NAS, [AGE 16-24](#), November 2014, website

² BIS, [Press release: Apprenticeships: Cable guarantees quality, slashes red tape and delivers cash boost for firms](#), 16 November 2011

³ BIS, [Press release: PM: We'll make apprenticeships a gold standard option for ambitious young people](#), 7 February 2012

⁴ Before January 2015, up to 10 grants could be claimed by employers with 1,000 or fewer employees.

⁵ *Ibid*

⁶ DWP, [Statement from the Minister for Employment Chris Grayling on the Work Experience Scheme](#), 29 Feb 2012

3 Support for 16 and 17 year old NEETs

In February 2012, a scheme was launched to help at least 55,000 'disengaged' 16-17 year olds in England.⁷ The scheme is delivered by provider organisations who will receive payments of up to £2,200 for each 16-17 year old that they place in employment or education. Provider contracts were awarded to successful bidders in June 2012.⁸

Those eligible include 16-17 year olds who are not in education employment or training (NEET) and who have one or less GCSE grade A*-C, and those who are or were in care or who have been released from custody. Initially, payments were only for 16-17 NEET and with no GCES grades A*-C. In January 2013, the Department for Education⁹ extended eligibility to include around 15,500 additional 16-17 year olds.

Providers receive an initial payment for each 16-17 year old that they assist, with further payment when the young person enters education or employment, followed by the remainder of the £2,200 once the young person has been in employment or education for a minimum of five months.

Providers receive payments for outcomes including; apprenticeships, full-time education and full or part-time employment. How the providers secure education or employment for the young people is at their own discretion.¹⁰

4 Sector based work academies

[Sector based work academies](#) are collaborations between Jobcentre Plus, businesses and training providers. Only unemployed people currently claiming Jobseekers Allowance or Employment and Support Allowance are eligible to use the academies.

The academies consist of three components:

- Pre-employment training in the essential skills of a sector which has local vacancies
- Work experience in a local business in that sector
- A guaranteed interview for a job vacancy at the same local business

The training element of the academy is fully funded by the Skills Funding Agency in England and by the Scottish Government and partner organisations in Scotland. The job interview may also lead to apprenticeship places, and the training element of the academy may be used as the foundation of apprenticeship training.

Sector-based work academies are offered in England and Scotland and provision is based around actual job vacancies. Claimants may be referred at any point in their claim prior to referral to the Work Programme. Whilst engaged in the academies, people will continue to claim benefits. Any travel and childcare costs associated with taking up a place in an academy will be covered. Claimants' decision to participate is voluntary, but attendance becomes mandatory once a claimant has accepted a place.

Further information is available in the DWP [Sector-based work academies: Employer Guide](#) and the Library Standard Note, [Work Experience Schemes](#).

⁷ Deputy Prime Minister's Office, [Radical new approach to defuse "ticking time bomb" of NEETs](#), 21 Feb 2012

⁸ DfE, [Youth Contract provision for disengaged 16 to 17 year olds](#), 13 Jun 2013

⁹ DfE, [Youth Contract opened up to help more young people who are NEET](#), 15 Feb 2013

¹⁰ DfE, [The Youth Contract for 16-17 year olds not in education, employment or training evaluation](#) , Sep 2014

5 Extra support at Jobcentre Plus

From April 2012, all 18-24 year olds claiming JSA will be offered additional support at Jobcentre Plus. This will principally be in the form of weekly, rather than fortnightly, signing-on meetings. Provision will also be made for more in-depth meetings with advisors.

For the first three months, young jobseekers will get an average of 80 minutes extra time every fortnight to help them prepare for and find work. This was initially available in twenty unemployment 'hotspots', but from December 2012 covers the entire network of jobcentres.

Young people claiming JSA will also be guaranteed an interview with an advisor from the [National Careers Service](#).

6 Funding for localised Youth Contracts

Localised Youth Contracts are available in Leeds City Region¹¹, Liverpool¹² and Newcastle¹³. The cities designed their own local schemes using national funding.¹⁴

The Deputy Prime Minister announced in July 2013 that eight 'core' English cities, outside of London, will be able to bid for a share of £50 million to help young people into work through the Youth Contract. Bidding took place over summer 2013.¹⁵

7 Wage incentive

Enrolments for this scheme ended on 6 August 2014.¹⁶

A subsidy of up to £2,275 was available to businesses hiring young unemployed people. The scheme ran from April 2012, with the last enrolment on the scheme 6 August 2014. An overview of the scheme is below:¹⁷

- Young people, aged 18-24, were eligible after claiming JSA for over 6 months, from December 2012. Initially, eligibility was restricted to individuals aged between 18 and 24 who had entered the Work Programme (typically after claiming JSA for nine months).
- For the business to get the full payment of £2,275, jobs were required to be over 30 hours a week and last for at least 26 weeks, with 50% payments for part-time jobs lasting between 16 and 29 hours a week.
- Payment were made after the 26-week period, although partial payments were available to small firms and employers where employees left between 13 and 26 completed weeks.

The Government made funding available for 160,000 job subsidies over a three-year period beginning April 2012. Between April 2012 and August 2014, payments were made for 20,030 individuals with 9,660 payments to employers for individuals who had completed the full 26 weeks employment. 116,140 claim forms were submitted for wage incentive eligible job starts, by August 2014.¹⁸

¹¹ Leeds Pathways, [What is Youth Contract](#)

¹² Liverpool.gov.uk, [Liverpool Youth Contract](#)

¹³ Newcastle City Council, [4.5m to get young people into work](#), 17 Mar 2014

¹⁴ Deputy Prime Minister's Office, [Cities youth employment boost](#), 30 Jul 2012

¹⁵ HM Government, [Unlocking growth in cities: city deals – wave 1](#), Jul 2012

¹⁶ Gov.uk, [Jobcentre Plus help for recruiters](#)

¹⁷ DWP, [Helping young people into work](#), 6 Aug 2014

¹⁸ DWP, [Youth Contract starts and payments April 2012 to November 2014](#), 25 Feb 2015