



Department
for Work &
Pensions

Youth Contract Wage Incentive Job Starts – Management Information

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Introduction

This ad-hoc analysis presents Management Information of Youth Contract wage incentive job starts. The number of job starts is the number of wage incentive claim forms that are issued by either a Work Programme provider or Jobcentre Plus when young people, eligible for wage incentives, are recruited by employers for jobs expected to last for at least 26 weeks. The data covers the period from April 2012 up to May 2013 and should be viewed together with data on payments which in most cases are made when the young person completes 26 weeks employment:

<<<https://www.gov.uk/government/publications/youth-contract-wage-incentive-payments-experimental-statistics>>>

Policy Description

Wage incentives were made available to employers from April 2012. They are a key element of the Government's Youth Contract measures, designed to provide a range of additional help for unemployed young people to better prepare them for work and to offer greater opportunities to find and take up sustained employment. Over three years from April 2012, the Youth Contract includes funding for 160,000 wage incentives worth up to £2,275 for employers recruiting eligible young people who complete 26 weeks of employment.

Wage incentives are available to employers in all sectors, but with a focus on the private sector. Central Government Departments, their Executive Agencies and Non-Departmental Public Bodies are excluded from claiming. Wage incentives are available across England, Scotland and Wales.

Initially, the eligibility for wage incentives was restricted to all 18 to 24-year-olds attached to the Work Programme (regardless of benefit claimed). From July 2012, eligibility was extended to all 18 to 24-year-old Jobcentre Plus claimants who had reached six months on benefit in 20 hot-spot areas; this eligibility was expanded nationwide to all Jobcentres from 17 December 2012.

The wage incentive is available for employment of 16 hours or more per week. There is a part-time rate (£1,137.50) between 16 and 29 hours and a full-time rate (£2,275) for 30 hours or more. When an eligible young person starts a job and it is expected that the job would last 26 weeks, the Work Programme provider or Jobcentre Plus issues a wage incentive claim form to the employer. The wage incentive is then paid after the young person has remained in work for 26 weeks (26 week full payment).

An employer with fewer than 50 employees can choose to receive a first £700 wage incentive payment (halved for part time work) when a young person has completed eight weeks of employment (8 week interim payment). The remaining balance is then

received when the young person has completed the remaining 18 weeks employment (18 week balance payment).

The employer is paid half of the wage incentive payment where an employee leaves work after 13 weeks have been completed, but before 26 weeks have been completed (14-25 week payment). An individual can attract no more than one wage incentive in their time on the Work Programme. Fixed-term appointments can also attract a wage incentive payment where they meet the eligibility criteria.

Work Programme providers are key partners in the delivery of wage incentives alongside Jobcentre Plus staff. Work Programme providers and Jobcentre Plus staff are responsible for identifying 18 to 24-year-olds who would benefit from wage incentives, ensuring jobs are eligible and for marketing the incentive to employers. The DWP administer the incentive payments and pay them directly to employers.

More information about wage incentives and the Youth Contract is available on:

<http://www.dwp.gov.uk/youth%2Dcontract/key%2Dinitiatives/wage%2Dincentives/wage%2Dincentive%2Dscheme%2Ddetails/>

This data should also be viewed in context of the Youth Contract evaluation. Findings from the first employer survey for wage incentives are available on:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/194228/rrep828.pdf

Findings from the first employer survey for Youth Contract work experience and sector-based work academies:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/207534/rrep842.pdf

Results

Table 1 shows the monthly number of Youth Contract wage incentive jobs starts from between June 2012 up to the end of May 2013. The number of job starts is the number of wage incentive claim forms issued resulting from job starts for eligible young people who had gained employment from either being on the Work Programme or those identified by Jobcentre Plus.

The data relies on a combination of clerical counts of forms issued from Work Programme providers and input of a marker on the Jobcentre Plus Labour Market System by an adviser, when a wage incentive claim form is issued for an individual. Given the clerical aspect to their collation, some caution needs to be attached to these figures: anecdotal evidence suggests that the number of forms issued recorded may in some cases undercount or overcount the number of job starts, so these numbers should be considered as approximate.

Table 1: Number of Youth Contract Wage Incentive Job Starts

	Job Starts
Apr-12	490
May-12	720
Jun-12	840
Jul-12	1,060
Aug-12	1,030
Sep-12	1,120
Oct-12	1,350
Nov-12	1,200
Dec-12	880
Jan-13	1,160
Feb-13	2,000
Mar-13	2,660
Apr-13	2,780
May-13	4,180
Total	21,460

Source: Management Information (from Work Programme providers and Jobcentre Plus Labour Market System)

Notes:

All figures are rounded to the nearest 10. “-“ means nil or negligible.

Total may not sum due to rounding.

A job start is represented by when a form is issued to an employer when individual, eligible for a wage incentive, starts a job (full or part time).