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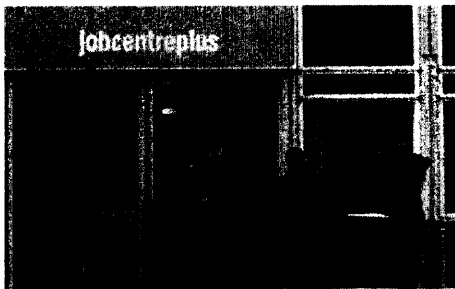
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News

Employers to receive £2,275 worth of wage subsidies for each NEET they recruit

David Woods 25 Nov 2011



The deputy prime minister Nick Clegg is set to announce a £1 billion investment from the Government into creating 400,000 training places for the UK's one million young employed, just days ahead of the chancellor's Autumn Statement.

Clegg will announce that under the 'Youth Contract', from April 2012, at least 410,000 work places will be found for 18 to 24-year-olds by 2015. This will include £2,275 worth of wage subsidies provided to employers that recruit 160,000 18 to 24-year-olds.

Each of these wage incentives is worth half of the youth national minimum wage. They will be available to those between 16 and 24 not in employment, education or training after three months and all of those who have been on Jobseeker's Allowance for nine months.

Speaking to the BBC this morning, Clegg said: "The aim of the youth contract is to get every unemployed young person earning or learning again before long-term damage is done.

"But it's a contract, a two-way street: if you sign up for the job, there'll be no signing on for the dole. You have to stick with it."

"It hasn't been easy to find £1 billion but it is the right thing to do. But young people have to meet us halfway."

The programme will move people from the "traditional" sectors, like retail and construction, to the emerging, like the green economy.

It's a contract, a two-way street: if you sign up for the job, there'll be no signing on for the dole"

Another 250,000 will have the opportunity to undertake work experience placements lasting up to eight weeks. These will be available to every unemployed 18- to 24-year-old who wants one and has been seeking work for three months or more.

The money will go to private sector employers and trainers on a payment-by-results basis, with payments for those young people sustainably engaged in further learning or an apprenticeship.

Other measures include at least 20,000 additional incentive payments for firms in England to create apprenticeships for 16- to 24-year-olds, and more support for young people at job centres, such as extra time with advisers and a careers interview.

Under the plans, young people who fail to sign up to the Youth Contract will be considered for "mandatory work activity", while those who drop out of work experience or jobs without good reason will lose their benefits.

David Morel, founder of the UK employment agency Tiger Recruitment, said: "The scheme has the noblest of motives - and a plan to create new jobs and persuade employers to hire again can only be welcome.

"Government-imposed schemes will get a proportion of people back into work, and that's great news, but the depth of the current economic crisis means they are mere tinkering around the edges.

"Only when the economy is growing can sustainable jobs be created. And with the economy showing such anaemic and weak progress, the scheme's long-term prospects are limited.

"It is desperately sad to see so many bright young people who are finding it so difficult to land their first job. "First and second jobbers have so much to offer, bringing initiative, energy and enthusiasm to employers from day one.

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"Firms need to understand that young people today will never be better value for money. Employing a young worker now is an opportunity not just for the employee but also the employer."

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NEET Recruitment

Sally Garrett 25 Nov 2011

This is ageist! They ought to have the incentive for all ages - any one who is on the dole not just the youth. Is it even legal - as an employer if I advertise a position and one candidate is fully qualified but over 24 and the other under 24 - is it legal for me to choose the under 24 year old simply because of a subsidy? Government should look at the bigger picture and not encourage employers to be ageist or sexist! Policy should be regardless of age or sex - it's the same with maternity / paternity. 2 rules depending on gender - it's government who cause the inbuilt problems with age and sexual inequality in society and until government policy changes it can only get worse. If they want to help the economy they need to tax the higher wage earners and not destroy the grass roots of society.

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