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Baroness O'Cathain  
Chair  
European Sub-Committee B  
Committee Office  
House of Lords  
London  
SW1A 0PW

4<sup>th</sup> March 2015

*Baroness O'Cathain,*

Thank you for your letter of 18 March enclosing a copy of the transcript from the evidence session on youth unemployment in Europe that I attended on 16 March before your Committee. I have no comments to make on the transcript.

At the session there were three points where I undertook to provide further information. This I do, in the order that the questions were asked.

The Lord Haskel asked how many apprentices complete level 3. For the academic year 2013/14 102 000 completed this level, an increase on the figures for the previous year and the year before that (which were 94600 and 84500 respectively).

Baroness Valentine asked for clarification of two figures on the Youth Contract. The Youth Contract is a cross-government programme under which my Department offers an array of support which includes: wage incentives for employers; work experience; sector based work academies (sbwa); as well as adviser support. As explained in the evidence session, whilst the forecast target for employer wage incentive payments at the outset was 160,000, businesses preferred the work experience and sbwa schemes. So far claimants have made 280,000 starts on these schemes.

Lord Brooke of Alverthorpe asked how many employers were paid a Youth Contract Wage Incentive at the higher "fulltime" rate of £2,275, as opposed to the lower rate. Unfortunately the statistics that were collated on the wage incentive scheme while it was open do not make this distinction, so reliable figures broken down this way are not available. Under the scheme, wage Incentives could be claimed by employers that recruit young people who had been unemployed for more than six months, with the incentive being paid after

the young person remained in work for 26 weeks. Small employers with fewer than 50 employees could choose to receive an interim incentive payment when the young person completed eight weeks of employment, with a balance payment made when the young person has completed the remaining 18 weeks of employment.

The latest available statistics on the Youth Contract, published on 25 February this year, can be found by following the link at foot to where they appear on the Government website. Table 3 of the publication shows that between April 2012 and August 2014 there were been 116,140 Wage Incentive job starts. Table 4 shows the numbers of incentive payments by month and broken down by period of payment until May 2014, by which time incentive payments had been made in respect of 20 030 individuals. Overall the Youth Contract has already provided almost 400,000 opportunities for young people.

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/406616/OFFICIAL-SENSITIVE\\_Youth\\_Contract\\_Official\\_Statistics\\_February\\_2015.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/406616/OFFICIAL-SENSITIVE_Youth_Contract_Official_Statistics_February_2015.pdf)

I hope this is helpful

With best wishes,

A handwritten signature in black ink, appearing to read 'Esther McVey', with a large, sweeping flourish underneath.

**Rt Hon Esther McVey MP**  
**Minister for Employment**