



**DEPUTY PRIME MINISTER
70 WHITEHALL, LONDON SW1A 2AS**

13 February 2012

Dear Employer,

Tackling youth unemployment is a priority for the Coalition Government. Today's young people are tomorrow's entrepreneurs, employees and leaders. We cannot afford to fail them. Our economic future depends on them.

That is why we have launched our Youth Contract, a £1billion package of support to get young people earning or learning again - before the long term damage is done. The Youth Contract comes into force on Monday 2nd April – and we hope you will take part.

We know that most businesses and charitable organisations want to play their part. We welcome the multiple examples of employer action to help the young jobless in these difficult economic times

We are offering more help to young jobless people – and asking them to take those opportunities up: a real contract, for real change. And it goes without saying that employers are critical partners in providing the Youth Contract. No-one else can offer young unemployed people the jobs, training and work experience opportunities that they need.

So the Youth Contract provides employers with a substantial financial incentive – of £2,275 - to take on a young long-term unemployed person currently participating on the Work Programme.

Over the past couple of months we have consulted with business leaders, small employers, voluntary organisations and to Work Programme providers, to design the Youth Contract in the best way possible. We have also worked with the many membership groups that endorsed the Youth Contract, including the Confederation of British Industry, the British Chambers of Commerce, the Federation of Small Businesses and the British Retail Consortium.

The purpose of writing to you today is to provide you with details of how the Youth Contract will work.. Specifically in terms of the wage subsidy, employers asked for simplicity and as little bureaucracy as possible. You also asked that smaller employers receive payments sooner to help with cash flow. You asked for a point of contact with Jobcentre Plus to answer your questions and manage the process. Finally you asked for enthusiastic young people ready to work, learn and acquit themselves to your jobs. We have taken on board these concerns. This has always been a contract, and we will work hard to help and support young people to keep up their end of the bargain.

We attach with this letter a brief that sets out the details of how all aspects of the Youth Contract will work. In particular, we have explained how the wage subsidy element will work

– but we encourage you to consider the range of opportunities presented as part of the Youth Contract.

We look forward to the launch in April, to working with you and to working together to tackle the scar of youth unemployment.

Yours,

A handwritten signature in black ink that reads "Nick Clegg". The signature is written in a cursive style with a long, sweeping underline.

Rt Hon Nick Clegg MP
Deputy Prime Minister

A handwritten signature in black ink that reads "Chris Grayling". The signature is written in a cursive style with a long, sweeping underline.

Rt Hon Chris Grayling MP
Minister for Employment