



Department  
for Work &  
Pensions

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*Sent electronically*

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Dear Debbie

## **YOUTH GUARANTEE UPDATE**

Thank you for your time at the weekend. I want to update you further on the announcements I have made today on youth employment and apprenticeships.

For many years our young people have not had the opportunity and support they deserve. Under the last government, between 2021 and 2024, the number of young people not in education, employment or training increased by 250,000.

Young people need clear routes into opportunity, and employers need the confidence and support to recruit and train them. The measures I have announced today are designed to respond to that need.

### **What is the Youth Guarantee**

In December, I wrote to you to set out my announcement of £1.5 billion to back young people through the Youth Guarantee and additional investment in the Growth and Skills Levy. This investment is expanding Youth Hubs to more than 360 areas across Great Britain and introducing a new Youth Guarantee Gateway in Jobcentres, providing a dedicated session and follow-up support 16-24-year-olds on Universal Credit.

That funding is also creating around 300,000 additional opportunities for young people to gain workplace experience and training, alongside guaranteed jobs for young people aged 18-21 through the Jobs Guarantee.

We are now going further. We have announced almost £1 billion more for the Youth Guarantee to help young people into work and training, unlocking up to 200,000 job and apprenticeship opportunities by investing in:

- **Youth Jobs Grant:** An employer hiring incentive worth £3,000 per young person aged 18-24 who has been on Universal Credit for six months.

- **New apprenticeship incentive:** £2,000 for small and medium-sized enterprises (SMEs) in England when they take on new apprentices aged under 25. This will help deliver on the Prime Minister's commitment to see 50,000 new young apprentices.
- **Expanding the Jobs Guarantee:** to 22–24-year-olds, meaning all eligible 18–24-year-olds across Great Britain will benefit from a fully funded six month guaranteed paid employment opportunity, taking the number of subsidised jobs to more than 90,000. To note, this expansion will not apply to Phase One of the Jobs Guarantee but will be in place for national rollout later this year.

Alongside this, we are reforming the Growth and Skills Levy to prioritise young apprentices and to introduce Apprenticeship Units aligned to Industrial Strategy priorities.

These changes take the total additional investment into the Youth Guarantee and the Growth and Skills Levy to £2.5 billion over the next three years, supporting almost one million young people, and creating up to 500,000 opportunities to earn and learn.

I hope the committee supports these measures and I know that you share my concerns about the lack of youth opportunity and the need to take action to change that.

Best wishes,



**The Rt Hon Pat McFadden MP**

**Secretary of State for Work and Pensions**