

## Policy on Incentives and Recognition related to Young People's Involvement

This 'template policy' has been drafted by Connexions:Involve, a sub-group of the NACP Policy Committee, with the intention of assisting partners in Children's Trusts to formulate their own policies on incentives and recognition. This policy relates to 13-19 year olds but is easily adaptable for younger age groups.

### 1. Core principles

- every Children's Trust will have a written policy on young people's involvement which will include a section on incentives and recognition
- the policy will be written with young people and should be reviewed with them annually
- partners and stakeholders will be consulted on the policy and where possible a common scheme of incentives and recognition agreed for all local partners
- the use of incentives and recognition will be equitable and not discriminate, directly or indirectly, against any individual or group of young people. The inclusion of 'hard to reach' groups should be given attention so that incentives and recognition are appropriate
- the levels of incentives and recognition to be used will be clarified as far as possible within the policy, in a 'menu' format
- young people will never be out of pocket as a result of their involvement activities – all personal expenses will be covered including travel, food, child care and accommodation
- the Trust will recognise the importance of incentives and recognition by allocating a specific budget and resources, to be managed within the lead organisation's financial procedures

### 2. Definitions

**Incentive = something that encourages young people's involvement**

eg transport or payment of travel expenses; provision of child care; taking part in activities; being listened to and influencing decisions; learning new skills; making new friends; having fun

**Recognition = demonstrating that young people's involvement is valued and appreciated**

e.g. thank-you letters; references; certificates; being quoted in publications; nominations for awards; prompt feedback; visible changes as a result of being listened to

**Remuneration = payment for a service subject to an employment contract**  
[see *'Employment of Young People'*]

**Reward = something tangible that is of value to a young person**

e.g. accreditation; access to other developmental opportunities; going out for a meal; tickets for an event; book, music or other shopping voucher; mobile phone top-up; cash (see 3.7 – 3.9 below)

**3. Good practice**

- 3.1. The impact of young people’s involvement should always be fed back to them as quickly as possible.
- 3.2. Young people are the best people to determine their own incentives within clear boundaries such as the ‘menu’ mentioned in paragraph 1.
- 3.3. At the beginning of a piece of work, the details of which incentives, rewards etc apply, when they will be received and how they will be provided, should be agreed with each young person and put in writing to them.
- 3.4. The focus should be on developing young people through their involvement, and being able to track their progress.
- 3.5. As part of the agreement described in 3.3 above, discussion should be had with the young person about informing her/his parents of the incentives and recognition agreed, and how this will be done.
- 3.6. Young people who are claiming benefits will need to inform Job Centre Plus of all earnings, other income, expenses, payment in kind and events attended (see also 3.8 below).

**Cash and vouchers as rewards**

- 3.7. The use of cash is potentially a contentious area, particularly when attempting to create a single policy across a range of agencies. Although consultation with young people often indicates that cash is their favoured form of reward, many agencies will prefer to use vouchers (eg for High Street stores; supermarkets; mobile phones; specific to local shopping centres) as an alternative to cash; if this is an agency ‘ground rule’ then young people need to understand it as non-negotiable and not for consultation.
- 3.8. The following considerations may help partners in decision-making about the use of cash:
  - rewards should always be fair and equitable
  - rewards should reflect effort and contribution and time committed
  - there should be an agreed maximum for a half-day and full-day session

- the use of cash or vouchers needs to take into account the potential impact on the young person's and family's other income as well as tax, benefits and national insurance regulations (see attached flowchart<sup>1</sup>). Some Job Centre Plus offices count vouchers for stores where any food - even sandwiches - is sold, as 'income', so this is worth checking out locally
- for tax purposes, the Inland Revenue refer to rewards of cash and vouchers as 'small gifts in kind' and there is a ceiling – currently £250 – above which these become taxable <sup>2</sup>. This means that if an individual receives more than £250-worth of such rewards from the same source (not her/his employer) in one year, the whole amount is subject to income tax
- regular payments to a young person as a reward for a specific activity could be seen as constituting a legal contract. If you are making regular payments (cash or vouchers) to the same individual over a period of time, you might want to consider making the young person a part-time employee / consultant
- strict financial procedures are necessary to safeguard staff and ensure tight monitoring of budgets

3.9. The administration of cash rewards may be made easier by negotiating a savings account for the young person with a local Building Society or bank, so that transactions can be done electronically.

### Accreditation as reward

3.10. If a young person's input is being counted as Millennium Volunteer or Duke of Edinburgh Award hours, they cannot also receive a financial reward. It may be helpful to offer flexibility so that young people have a choice of being rewarded in cash or vouchers *instead of* accrediting the hours as volunteering.

3.11. Similar considerations apply to UK Youth Parliament Record of Achievement.

3.12. Accreditation schemes can be developed locally with partners so that the credits are transferable across the Local Authority or sub-region.

### Certificates as recognition

3.13. Care should be taken not to diminish the value of certificates by over-use. Certificates should be specific to a completed piece of work or a set number of hours input.

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<sup>1</sup> Thanks to Connexions Northumberland for use of this flowchart

<sup>2</sup> Weblink for Guidance: <http://www.hmrc.gov.uk/manuals/eimmanual/EIM21715.htm>

**Overcoming the challenges**

3.14. Devising an incentive and recognition scheme that is acceptable to a range of local agencies can be a challenging area of work, not least because of the different levels of financial resources that each agency will have (eg a County Council compared with a small community group). The process of working through these challenges will itself help to develop the partnership approach, and will also contribute to resolving other issues such as:

- ensuring parity and fairness for young people who have multiple commitments to different agencies
- ironing out the potential inconsistencies faced by projects run jointly by a number of agencies.

NACP Active Involvement of Young People Sub-Group  
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NACP  
Watsons Chambers  
5-15 Market Place, Castle Square  
Sheffield S1 2GH  
T: 0114 281 3418  
[www.nacp.co.uk](http://www.nacp.co.uk)

# REWARDS AND YOUNG PEOPLE FLOWCHART

A quick guide to tax and other legislative requirements

**PITSTOP**  
Is the reward within treasury guidelines of regularity, propriety and value for money

**PITSTOP**  
CONSIDER MINIMUM WAGE ACT IMPLICATIONS AND RECIPIENT NEEDS TO CONSIDER BENEFITS IMPLICATIONS

**CHECK!**  
Local Authorities Policies, child employment, age discrimination law + exemptions

