



Work Experience, Internships & Jobs

wexo.co.uk

WEXO-STEP alliance proposes cost of paid graduate internships should be recoupable from VAT hike

25 June 2010: *A newly-created alliance has been formed by organisations looking to aid the government in creating graduate-friendly policy on hiring interns. WEXO, endorsed by Sir Stuart Rose, is leading the charge.*

WEXO has today officially announced an alliance that will promote the interests of interns, the internships industry and business through encouraging equality of access to internships. The founding members, WEXO and STEP, have held discussions with a host of other industry leaders. These include The Student Room, Student Beans, Wikijob, AISEC, NCWE, Intern Aware and Give A Grad a Go. WEXO and its partners aim to incentivise businesses to provide paid placements, structured guidance and training for students and graduates looking to get their first footing on the career ladder.

At a time when graduate unemployment has increased by 44% the TUC and its associates fear that that one in three interns is being exploited through unpaid work. WEXO is calling for the various stakeholders to work together with the government to help businesses take on graduates. STEP has already successfully operated the London Innovation Placement Programme and its own Graduate STEP Scheme with support from the Department for Business, Innovation & Skills (BIS). Both schemes, which WEXO has worked with STEP on, have proved successful in providing a cost effective solution that helps companies find first class interns who in return receive an appropriate level of remuneration (which is the equivalent of at least the national minimum wage) for their hard work.

One of the core proposals to extend these schemes is that companies should be able to recoup the costs of paying NMW to interns from the recently announced VAT increase from 17.5% to 20% on 4th January 2010.

STEP MD, Philip Donnelly, said: "We are thrilled that so many smaller companies have expressed interest in taking on students and graduates through programmes with a proven track record of success. But with money still very tight, Government needs to show some creative thinking so that an internship programme can be the solution of choice for a small business."

Robin Kennedy, co-founder and CEO of WEXO, said: "Existing public sector initiatives have made no dent in this crisis; it is our opinion that if the situation is to improve, the government needs to start properly backing the private sector. The VAT hike will help UK Plc raise a much needed £13Bn but figures suggest the average return on hiring a graduate is 500% over 3 years so that's one of the main places I'd be investing it".

Sir Stuart Rose, Chairman of BitC and founder of Work Inspiration, said: "I'm a big believer in what WEXO is doing to help get students and graduates working again. By utilising the power of the internet, they are helping match talent to exciting opportunities."

~ENDS~

Notes to editors:

WEXO (www.wexo.co.uk) is a matchmaking network exciting work experience, internships and jobs. WEXO's technology now allows companies to rank and sort applications and it has already developed a strong client list of over 500 companies including Sony Music, Armani and Working Title as well as many start-ups, charities and SMEs. The company was founded in 2007 by ex-investment banker Robin Kennedy and London 'fixer' Harry Becher. The platform was built with seed funding and the company generates revenue from membership fees, search fees and advertising.

Step (www.step.org.uk) has over 10 years of experience in developing some of the UK's most innovative and well regarded placement programmes. Quoted as a model of good practice by the Milburn-chaired Panel on Fair Access to the Professions, Step are working directly with the Department of Business to make these opportunities a reality.

Work Inspiration (www.workinspiration.com) is a Business in the Community (BitC) campaign to turn work experience into 'work inspiration'

"TUC fears as many as one in three interns are being exploited at work" – Press Release:
<http://www.tuc.org.uk/organisation/tuc-17759-f0.cfm>

Unemployment statistics from HECSU's 'SME demand for graduates (Spring 2010)':
http://www.hecsu.ac.uk/hecsu.rd/research_reports_sme_demand_for_graduates.htm

AGR statistics on ROI of Graduate Investment: <http://www.agr.org.uk/Content/Graduate-recruitment-investment-reaps-return-of-more-than-500>

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