

DOCUMENT

MISEP MUTUAL INFORMATION SYSTEM ON EMPLOYMENT POLICIES

**UNITED KINGDOM
Basic Information Report**



**COMMISSION
OF THE EUROPEAN COMMUNITIES**

This document has been prepared for use within the Commission. It does not necessarily represent the Commission's official position.

This publication is also available in the following languages :

DE ISBN 92-825-5577-1
FR ISBN 92-825-5579-8

Cataloguing data can be found at the end of this publication

Luxembourg: Office for Official Publications of the European Communities,
1985

ISBN: 92-825-5578-X

Catalogue number: CB-44-85-185-EN-C

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Printed in Belgium

Commission of the European Communities

M.I.S.E.P.

- Mutual Information System on Employment Policies -

United Kingdom

Basic Information Report

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MISEP

On the basis of an agreement of the directors general for employment, the Commission of the European Communities has created a Mutual Information System on Employment Policies (MISEP).

The system operates with a network of correspondents from the departments responsible for employment policy in the Member States and a centralised secretariat under the overall responsibility of the Commission.

It was set up by the Commission in response to the desire expressed by Member States' delegations in the Council to be mutually informed on developments in national employment policy measures and structures. The objective of the system is defined as "to gather, synthesise, translate and disseminate relevant information in the Member States, serving each of the responsible national ministries and agencies in their daily decision-making, and aiding the Commission in its co-ordinating role at Community level".

The "Basic Information Reports" describe the structure and content of employment policy in each Member State. All these reports follow the same structure and contain the same basic information which is essential to an understanding of the way employment policy is conceived and operated.

The material contained in the Basic Information Reports has been provided by the national correspondents and is correct as at 1 March 1983. It is intended as a guide and an explanation of national policy measures in force at that date and is not as a substitute for the corresponding legal texts. It is designed to describe the policies and practices in Member States without value judgements either on the part of the Commission or the national correspondents.

While these reports will be updated periodically, further information and regular updating of measures are published in "InforMISEP", and reproduced in "Social Europe".

May be ordered from the Office for Official Publications of the European Communities
L-2985 Luxembourg.

TABLE OF CONTENTS

	<u>Page</u>
Chapter I : INSTITUTIONS	1
Department of Employment Group (DE Group)	1
Manpower Services Commission	5
Annex : Functions of the Department of Employment	11
Chapter II : PROCEDURES	13
1. Legal instruments	13
2. Negotiation patterns	13
Trade Unions	13
Employers' Associations	13
Collective Bargaining	14
Annex : Summary of statutes	14
Chapter III : LEGAL FRAMEWORK	18
Outline of social security benefit conditions for unemployment	18
Unemployment benefit	18
Annex A : Definitions	23
Annex B : Credits during unemployment	24
Annex C : Outline of supplementary benefit conditions for unemployed people	25
Chapter IV : MEASURES	30
Overview	30
General measures	31
Employment maintenance measures	33
Measures giving aid to the unemployed	36
Measures aimed at training, retraining and occupational mobility	41
Job creation measures	48
Measures in favour of special categories of people	51
Measures dealing with working time	55
Placement measures	56
Chapter V : INFORMATION AND RESEARCH	58

Chapter I : INSTITUTIONS

DEPARTMENT OF EMPLOYMENT GROUP (DE GROUP)

1.1. Legal status and constitutional competence

The DE Group has wide-ranging responsibilities. Its activities are at the centre of the industrial life of the nation and its staff are in direct contact with public life at all levels. Its chief task is to promote the efficient use of manpower in a socially responsible way. The functions of DE are differentiated according to headquarters and regional competence. Headquarters' competence is in the fields of incomes, industrial relations, economic policy, economic and social research and planning, statistics, unemployment benefit service, race relations, careers service, overseas division and labour attache service, wage councils, work research unit, finance, establishments and information. Regional competence is essentially concerned with unemployment benefit services. A more detailed description of these functions is provided under 1.3 below.

1.2. Decision-making bodies

The Secretary of State is responsible for manpower policy including policy dealing with employment of women and older workers, as well as for the manpower aspects of regional policy and regional economic planning; he has senior representatives in each regional centre.

In addition he is responsible for:

- promoting the policy of equal employment opportunity for workers regardless of race, colour, origin or sex.
- redundancy payments policy and redundancy payment provisions of the Employment Protection Act.

The Secretary of State also has powers to provide temporary employment for unemployed people and to finance schemes under which socially useful tasks are carried out by unemployed young people. He is able to delegate these powers to the Manpower Services Commission (MSC).

The Secretary of State is responsible for the payment of unemployment benefit and supplementary benefit to people in the employment field. This work is carried out by DE as agent of the Department of Health and Social Security.

The Secretary of State for Employment is also responsible for the Government's dealings with the MSC, the Advisory, Conciliation and Arbitration Service (ACAS) and the Health and Safety Commission (HSC) and answers to Parliament for their work.

1.3. Organisation chart

Department of Employment
Group

Department of Employment
(DE)

Health and Safety
Commission
(HSC)

Manpower Services
Commission (MSC)

Advisory, Conciliation and
Arbitration service (ACAS)
- provides a service to
employers and trade unions
by aiding the settlement
of trade disputes and
promoting sound industrial
relations.

Health and Safety Executive (HSE)
- protects those at work and the
general public from risks to safety
and health.

Employment Division
(ED) - helps people to find
work and employers to fill
vacancies through job centres etc.

Training Division (TD)
- provides training
opportunities through
schemes such as TOPS,
YTS and open tech.

Skillcentre Training
Agency - operates and
administers the MSC's
network of 68
skillcentres

1.4. Number of personnel

The Department of Employment Group currently employs some 60,840 staff. Of these, approximately 32,100 are employed in the DE, 24,920 in the MSC, 3,800 on Health and Safety at Work issues and 700 on Advisory and Conciliation duties.

1.5. Operational budget

SUPPLY ESTIMATES 1983-84

		£m
Class IV VOTE 13 Labour Market Services		499.1
includes	special employment measures.	
	Community Industry Scheme	25.1
	Community Programme	382.4
and	Grants and loans to Remploy	52.0
	Other sheltered employment for seriously disabled	22.2

Class IV VOTE 14 Special Employment Measures		445.5
includes Temporary Short-Time Working		
Compensation Scheme	34.0	
Job Release Scheme	304.0	
Young Workers Scheme	75.0	
Job Splitting Scheme	29.4	

Class IV VOTE 15 Advisory Conciliation and Arbitration Service 12.6

Class IV VOTE 16 Manpower Services Commission

Class XV VOTE 4

Class XVI VOTE 4

includes Grant in Aid to the Commission		1,422.8
Employment and rehabilitation		
services	179.1	
Training services including		
Youth Training Scheme	1,212.1	
Commission and central services	31.6	

Class IV VOTE 17 Department of Employment Administration 307.5

Gross costs including salaries and general administrative expenses for the unemployment benefit service. Provides for accommodation costs previously borne on the Vote of the Property Services Agency

Class IV VOTE 23 Health and Safety Commission

includes Grant in Aid to the Commission		88.0
administration costs	72.8	

NOTE: These figures do not include unemployment and supplementary benefits or payments from the redundancy and maternity pay funds. Local authority expenditure on the careers service and sheltered employment other than that attracting DE grant is also excluded.

1.6. Co-operation and co-ordinated activities

DE has contacts with outside organisations such as training boards, local government, the CBI and the TUC.

1.7. International contacts

The Department of Employment (OA1) is the co-ordinating UK Department for OECD's Manpower and Social Affairs Committee (MSAC) and provides the UK representative to the Committee, which meets 2-3 times yearly. The MSAC's remit extends to manpower (employment and industrial relations) and related policy questions connected with the general objectives of the Organisation, in particular its economic objectives.

The Secretary of State for Employment is the UK Minister responsible for ILO affairs. Staff in Branch OA act as delegates and advisers at ILO meetings and the section is responsible for co-ordinating replies to all ILO enquiries, ie. reports on individual industries or general labour practice and periodic reports on Conventions.

The ILO's primary concern is with the setting and maintenance of international labour standards. These take the form either of Conventions, which are binding on those member states which ratify them, or Recommendations which are not open to ratification but are meant to provide guidance in the development of policy legislation and practice and may be accepted with reservations. Draft instruments are debated by 'technical' committees which meet during the International Labour Conference. These debates normally take place over two consecutive Conferences and the final text is drafted by the Committees and adopted by the Conference at the end of the second year. Member states undertake to bring international labour instruments to the attention of their legislative authorities, whether or not they propose to ratify or accept them.

Each Member State which has ratified any Convention is required to report periodically on its application. The reports are examined by an independent Committee of Experts of international standing which draws up a report for consideration by the Conference.

The UK Department of Employment is mainly involved in the employment, Social Charter and Human Rights aspects of the **Council of Europe's** work. The aims are to work for greater European unity to improve living conditions and develop human values in Europe and to uphold the principles of parliamentary democracy and human rights.

MANPOWER SERVICES COMMISSION

1.1. Legal status and constitutional competence

The Manpower Services Commission was set up under the Employment and Training Act 1973. Its aims are:

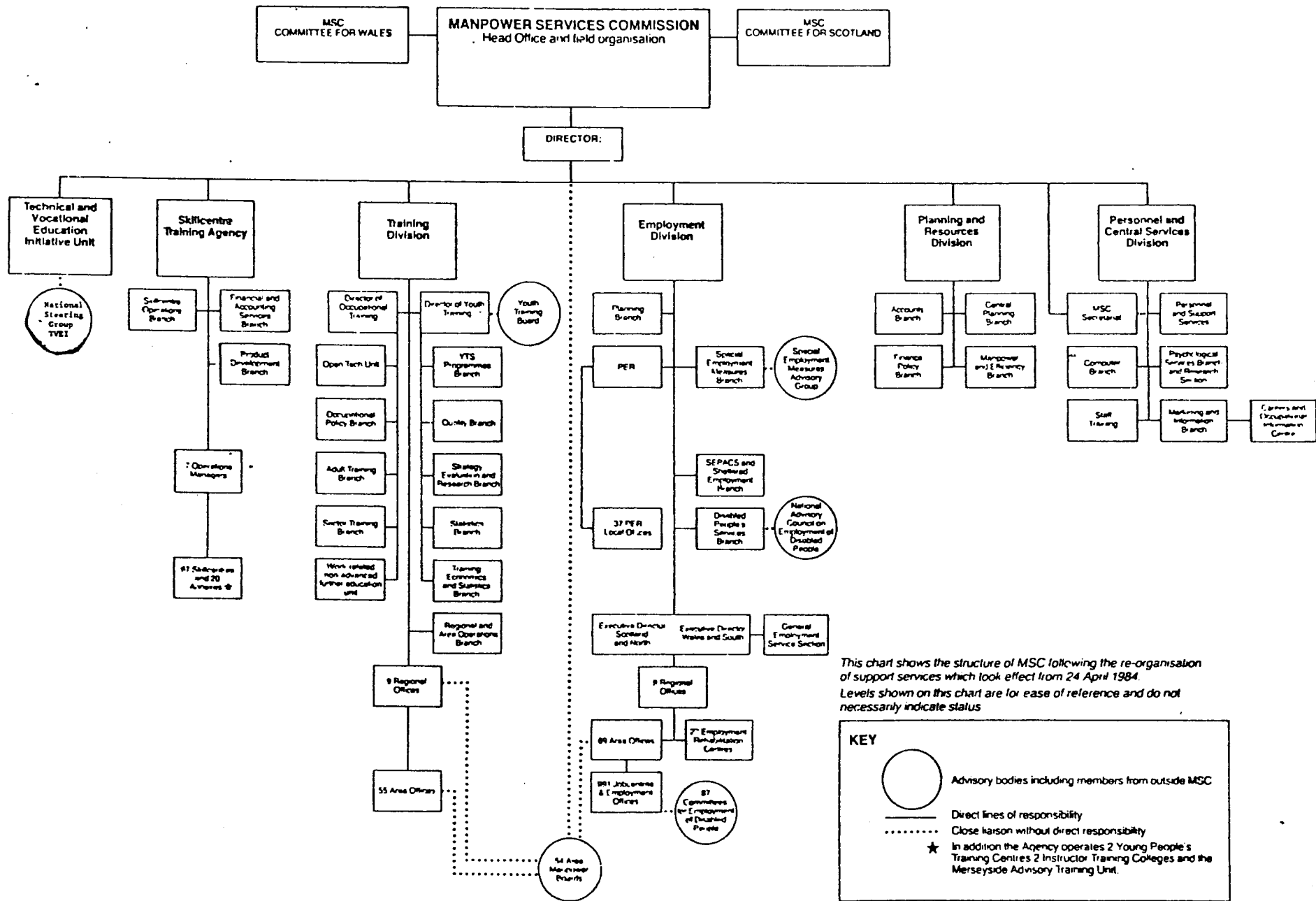
- to safeguard the provision of skilled manpower for industry's present and future needs;
- to move towards a position where all young people under the age of 18 have the opportunity either of continuing in full-time education or of entering a period of planned work experience combining work-related training and education;
- to offer an efficient cost effective employment service whose facilities are easily accessible to employers and jobseekers;
- to offer a range of services to help those jobseekers who have particular difficulty in obtaining suitable work or training;
- to improve the effectiveness and efficiency of the Commission.

1.2. Decision-making bodies

The decision-making body is the MSC itself which consists of ten members: an independent Chairman; 3 members appointed in consultation with the Confederation of British Industry, and 3 with the TUC; 2 members appointed in consultation with local authority organisations; and one member representing educational interests.

The Commission produce annually a five year Corporate Plan which is approved by the Secretary of State for Employment. This covers the Commission's programmes and objectives for that period.

The Commission operates through two divisions: Employment Division and Training Division. It has two support divisions, Manpower Intelligence Planning Division and Corporate Services Division, as well as a Skillcentre Training Agency and New Technical and Vocational Education Initiative.



This chart shows the structure of MSC following the re-organisation of support services which took effect from 24 April 1984. Levels shown on this chart are for ease of reference and do not necessarily indicate status

KEY

- Advisory bodies including members from outside MSC
- Direct lines of responsibility
- Close liaison without direct responsibility
- ★ In addition the Agency operates 2 Young People's Training Centres 2 Instructor Training Colleges and the Merseyside Advisory Training Unit.

The Commission's Training Division has as its main priority the implementation of the New Training Initiative. This has 3 objectives:

- training to standards to replace time serving and age restricted apprenticeships;
- foundation training for all young school leavers;
- wider opportunities for adults to train and retrain.

From September 1983 the new Youth Training Scheme will provide minimum age school leavers with an opportunity to enter a one-year programme of high quality foundation training and work experience. Some unemployed 1983 17 year old school leavers and unemployed 1983 disabled 18 year old school leavers will also be eligible. This will build on what has already been developed through the MSC's existing programmes for young people - the Youth Opportunities Programme, the Unified Vocational Preparation Scheme and support under the Training for Skills Programme for first year apprentice training - which it will replace and extend.

The Commission runs the Training Opportunities Scheme under which training for unemployed adults in a number of areas including new technology, business, clerical and commercial, craft skills and management, is supported. Some of this training is contracted out to training providers and the rest takes place in Skillcentres. The Commission reviewed its network of Skillcentres in 1982. The review recommended that Skillcentres should aim for the development of a more flexible and responsive provision capable of making a full contribution to the New Training Initiative, and a rapid and sustained improvement in the value for money offered by skillcentre training. In November 1982 the Commission set up the Skillcentre Training Agency to operate on a cost recovery basis (from 1984) as a separate arm of the Manpower Services Commission. The new Agency came into existence on April 1, 1983. The Commission also offers direct training services to industry and commerce and has set up an Open Tech programme through which training especially at technician and supervisory level will be made more accessible through the use of open and distance learning techniques. The Commission is advised on the strategic direction of the programme by the Open Tech Steering Group, which includes representatives of employers, trade union, local authorities and educational institutions. By the end of March 1983 eight projects had been agreed, including operational educational and training schemes and support studies relevant both to individual projects and to the programme as a whole.

The MSC offers an efficient and cost effective employment service whose facilities are easily accessible to employers and jobseekers. Facilities include:

- the general placement service
- information services for jobseekers
- recruitment to other MSC programmes
- financing geographical mobility
- professional and executive recruitment

The MSC offers a range of services to help those jobseekers who have particular difficulty in obtaining suitable work or training. These services include:

- for disabled people: resettlement services, training courses (TOPS), sheltered employment
- for those returning to employment after sickness or injury: various rehabilitation services
- for the long-term unemployed: the Community Programme
- for ethnic minorities: language training courses for the unemployed, and language and awareness training for employers and employees in multi-racial work places (the latter being provided through the Industrial Language Training Service).

1.4. Number of personnel

	Actual Staff in Post	Projected staff in post				
	1.4.82	1.4.83	1.4.84	1.4.85	1.4.86	1.4.87
EMPLOYMENT SERVICE DIVISION						
1 Jobcentre and other Employment Services						
(a) General Placing Service	8352	7600	6970	6970	6970	6970
(b) Assistance to Disabled People	1245	1240	1210	1210	1210	1210
(c) Other services (1)	1008	950	840	790	790	790
Total Jobcentre and other Employment Services	10605	9790	9020	8970	8970	8970
2 Area and Head Office Support Services (2)	1005	930	730	730	730	730
3 Employment Rehabilitation (3)	865	800	780	780	780	780
4 Sheltered Employment (3)	47	40	40	40	40	40
5 Community Programme (3)	-	560	730	730	730	730
6 Professional and Executive Recruitment (3)	439	330	330	330	330	330
TOTAL EMPLOYMENT SERVICE DIVISION	12961	12450	11630	11580	11580	11580
TRAINING DIVISION						
7 Head Office	650	640	630	630	630	630
8 Field Organisation						
(a) Regional Offices	1585(4)	1450	1200	1200	1200	1200
(b) Area Offices	3300	4030	4260	4260	4260	4260
(c) Staff in Skillcentres	4670	4460	3970	3970	3970	3970
TOTAL TRAINING DIVISION	10205	10580	10060	10060	10060	10060
SUPPORT SERVICES						
9 Corporate Services Division	1003	1040	1000	1000	1000	1000
10 Manpower Intelligence and Planning Division (5)	81	160	160	160	160	160
TOTAL SUPPORT SERVICES	1084	1200	1160	1160	1160	1160
TOTAL MSC	24250	24230	22850	22800	22800	22800

FOOTNOTES TO TABLE

- (1) Includes geographical mobility, and recruitment for other MSC programmes.
- (2) Includes the Careers and Occupational Information Centre, and Head Office staff other than those in lines 3 to 6.
- (3) Includes Head Office support staff.
- (4) Includes 175 staff in RMIUs at 1.4.82 transferred to TD in November 1982.
- (5) From 1.4.83 includes computer and statistics staff transferred from other divisions.

1.5. Operational Budget

ESTIMATED EXPENDITURE AT CASH PRICES

£ million

	1982/83	1983/84	1984/85	1985/86
<u>Employment Service Division</u>				
1. Jobcentre and other Employment Services	150.2	146.5	153.4	159.5
2. Employment Rehabilitation	19.1	22.0	24.1	24.9
3. Sheltered Employment	68.7	74.2	78.2	81.3
4. Community Programme	173.4	382.4	582.3	613.0
5. Voluntary Projects Programme	0.8	8.0	0.0	0.0
6. Enterprise Allowance Scheme	2.4	2.6	0.1	0.0
TOTAL	414.6	635.7	838.1	878.7
7. Professional and Executive Recruitment	4.4	0.0	0.0	0.0
<u>Training Division</u>				
8. Youth Training Scheme	572.9	873.0	1049.0	1084.6
9. Industrial Training Organisations	40.5	25.0	14.8	14.7
10. TOPS	131.5	140.3	148.1	154.2
11. Skillcentres and DTS	78.4	71.3	85.7	88.1
12. Other Occupational Training	3.0	7.3	8.3	7.9
13. Open Tech	0.0	3.8	7.8	8.1
14. Training Research and Development	1.9	1.3	1.5	1.6
15. Salaries, accommodation and other administrative costs	76.5	91.3	84.9	86.9
16. Community Industry	23.2	25.1	26.9	27.9
TOTAL	927.9	1238.4	1427.0	1474.0
<u>Support Services</u>				
17. Support Services	26.2	30.6	27.9	29.1
18. Dispersal	2.6	1.0	0.0	0.0
TOTAL	28.8	31.6	27.9	29.1
TOTAL MSC	1375.7	1905.7	2293.0	2381.8

Footnotes: see overleaf

FOOTNOTES TO TABLE

- a) The allocation of expenditure in these tables is provisional and is subject to revision.
- b) Figures for 1982/83 are the latest forecast of outturn.
- c) Figures for 1983/84 reflect the latest projections of planned expenditure.
- d) Cash provision quoted in the table is based on constant prices. Actual volumes of expenditure over the planning period will, among other things, depend upon the true level of inflation in each year.
- e) Line 1 includes the salaries, accommodation and other administrative costs for the whole of Employment Service Division, except for rehabilitation services and PER which are included in lines 2 and 7 respectively.
- f) The figures in line 4 are based on the assumption of government authority for the Community Programme or similar programme beyond September 1984.
- g) Line 8, in addition to YTS, includes the cost of the Youth Opportunities Programme, apprentice support measures and grants for Unified Vocational Preparation in 1982/83 and any residual costs in 1983/84, and for 1983/84 only, provision for the new Technical and Vocational Education Initiative.
- h) Line 10 includes fees for TOPS training outside skillcentres and allowances for all TOPS trainees.
- i) Line 11 represents the net cost of running skillcentres. This includes the salaries, premises, materials, equipment and other administrative costs of skillcentres and DTS as well as the receipts which these activities generate.
- j) Line 15 includes the salaries, accommodation and other administrative costs of the whole of Training Division except for skillcentres and DTS, which are included in Line 11.

1.6. Co-operation and co-ordinated activities

MSC has substantial involvement with outside organisations, e.g. the CBI, TUC, Local Government, Industrial Training Boards, the education and careers services, and youth voluntary organisations. For each of the MSC's activities the interaction with such organisations is described in the annual report.

1.7. International contacts

The MSC has wide direct representation on committees and working parties of the EC and other international organisations.

Annex to Chapter 1: Functions of the Department of Employment

The functions of DE are differentiated according to headquarters and regional competence:

Headquarters

Incomes

Pay policy in public and private sectors including labour costs in the UK and EC, hours and holidays, impact of prices, productivity, and liaison with Royal Commission on the Distribution of Income and Wealth.

Industrial Relations

Matters appertaining to trade union and labour relations.

Economic Policy

Assessment of economic information relating to the national manpower position.

Economic and Social Research and Planning

Development of the Department's forward programme.

Economic advice on Departmental policy.

Statistics

Collection of statistical information relating to labour matters at home and abroad. Collation and analyses of monthly statistics on unemployment, wage rates and earnings and retail prices.

Unemployment Benefit Service

Liaison with DHSS on the practical implications of policy objectives concerning benefits for the unemployed. Management of the benefit operation throughout the UK - employing approximately 27,000 staff.

Race Relations

Promotion of policy of equal opportunity and treatment in employment regardless of colour, race or ethnic origin.

Careers Service

Implementation of Employment and Training Act 1973. Guidance of Local Educational Authorities who are responsible for provision of careers guidance and information.

Overseas Division and Labour Attache Service

Liaison with Foreign and Commonwealth Office and Ministry of Overseas Development and EC on labour aspects of British policy towards overseas countries, International Labour Organisation, Council of Europe.

Wages Councils

Administrations of the Wages Councils Act 1959, Regulation of minimum remuneration required to be paid in certain trades or industries where organisation is inadequate for the settlement of terms and conditions of employment through voluntary bargaining.

Work Research Unit

Information, advice and consultancy to industrial, commercial and other organisations on the design of jobs and the organisation of work with a view to increasing job satisfaction and efficiency.

Finance

Special responsibilities with regard to expenditure. All financial, accounting and auditing questions. Financial aspects of regional work are controlled by six Regional Finance Officers, four in England and one each in Scotland and Wales, who report direct to headquarters.

Establishments

Personnel management; organisation and methods; automatic data processing; staff relations.

Information Directorate

Questions of press, publicity and public relations policy. Publication of monthly 'Employment News', 'Department of Employment Gazette' and the staff magazine 'Tempo'. Editorial and design services. Publishing and briefing on monthly indicators of wages, employment and retail prices.

Regional Organisation

Unemployment Benefit Service

The Unemployment Benefit Service is organised through seven Regional Benefit Managers in England and Benefit Managers in Scotland and Wales. They are each responsible for payment of unemployment benefit and supplementary benefit to unemployed people in their regions. Reporting to the Regional Benefit Managers are about 100 Area Benefit Managers each of whom is responsible for the unemployment benefit offices (UBOs) in his area. There are over 1,000 UBOs in total. Payments of benefit are made by cheque posted to the claimant's home address. A computerised system, in which the amount of benefit due is calculated and the cheque printed and posted from a centralised computer installation, is operating in virtually the whole of Great Britain.

Other services

Regional Benefit Managers co-operate with other parts of the DE group in matters of Group interest, eg the handling of redundancies and provision of certain statistics.

They direct and control various schemes for the improvement of employees' rights, including partial rebates and direct payments under the redundancy payment provisions of the Employment Protection Act, full rebates and payments under the maternity payments provisions of the Employment Protection Act, and payments under the insolvency provisions of the Employment Protection Act.

Regional Benefit Managers also administer various schemes for the alleviation of unemployment, and are responsible for licensing and inspecting employment agencies and employment businesses and dealing with complaints about these.

Chapter II: PROCEDURES

1. LEGAL INSTRUMENTS

The main sources of UK employment law are statutes (and instruments derived therefrom) and the case law of the Courts. A summary of the main statutes and legal instruments is provided in the annex at the end of this chapter.

UK arrangements for training are embodied in the Employment and Training Act 1973.

The Employment Subsidies Act 1978 covers all special employment measures apart from the Job Release Scheme. This is covered by the Job Release Scheme Act 1977.

Regional Development Grants for new investment by enterprises in Special Development and Development Areas are available under Part 1 of the Industry Act 1972 (administered by the Department of Industry). Grants to enterprises are also available under Section 7 of the Industry Act 1972, in Assisted Areas and where there is a benefit to employment (to be assisted the project must be viable and unlikely to proceed without DI aid).

2. NEGOTIATION PATTERNS

Trade Unions

The aim of trade unions is primarily to improve the status, pay and conditions of employment of their members. The Trade Union and Labour Relations Act 1974 (TULRA) defines a trade union as an organisation of workers whose principal purposes include the regulation of relations between workers and employers or employers' associations. Any organisation which fits this definition may apply to have its name included in the statutory list of trade unions which is maintained by the Certification Office. At the end of 1981 there were 463 organisations on the list, of which about 200 were affiliated directly or indirectly to the Trades Union Congress (TUC). A number of trade unions with common interests have grouped themselves into federations. At the end of 1978 there were 41 federations, the largest (the Confederation of Shipbuilding and Engineering Unions) having 23 member unions. 12,5 million employees were trade union members at the end of 1980 (a little under half of the working population).

Employers' Associations

TULRA defines an employers' association as an organisation of employers whose principal purposes include the regulation of relations between employers and workers or trade unions. Any organisation which fits this definition may apply to have its name included in the Certification Officer's statutory list of employers' associations. At the end of 1981 the list comprised 172 organisations, and there are thought to be another 230 organisations unlisted which satisfy the statutory definition. Many of these are local associations subordinate to industry-wide federations of which they are members. All of these bodies are concerned with the negotiation of pay and working conditions, but many of them also perform the functions of a "trade association", ie. they advise member companies on commercial and other non-industrial relations activities. At the end of 1980 membership of employers' associations (listed and unlisted) was about 340,000.

The Confederation of British Industry (CBI) is the employer counterpart of the TUC and the principal spokesman for British industry and commerce. Its membership includes individual firms (over 4,500 parent companies with about 11,500 subsidiaries); almost all the nationalised industries, employers' associations (about 110); and trade associations (about 90).

Collective Bargaining

Collective bargaining in UK is the process of negotiations between employers (or associations of employers) and workers or their representatives about pay, hours and holidays, working conditions, discipline, allocation of work and other matters which can be the subject of a trade dispute.

Pay Bargaining

Collective bargaining takes place at several levels. Wage agreements concluded between employers' associations and trade unions vary in their scope some being industry-wide (or "national") whilst others cover for example the industry in a particular district or region. With a few exceptions such agreements determine only minimum (or "basic") wage rates, with individual employers negotiating additions at the level of the company, plant or workplace. Thus a gap (the "workplace gap") exists between the wage rates reached in agreements at national or district level and actual earnings at the level of the workplace. This gap is made up of such elements as piecework or incentive earnings, company or factory additions to basic rates and overtime earnings. Since the Second World War there has been a shift to bargaining at the workplace and therefore a widening of the workplace gap. Collective agreements cover many workers who are not trade-union members. In 1978 around 70% of full time workers were covered by collective agreements of some kind.

Methods of Collective Bargaining

Collective bargaining machinery has evolved according to the varying needs and circumstances of the different trades and industries. One major system (used by the Civil Service among others) is that of Joint Industrial Councils (JICs) or "Whitley Councils". JICs are standing bodies composed of equal numbers of employer and employee representatives, appointed by their respective associations. Joint secretaries are appointed with the chairman's position alternating annually between the parties. JICs originated in the reports of the Whitley Committee, which was appointed by the Government in 1916 to make recommendations "for securing a permanent improvement in the relations between employers and workmen". The Committee recommended that JICs should be established at various levels (national, district, departmental etc.) and concern themselves not only with the determination of wages and basic conditions of employment, but also with a wide range of other matters with the aim of promoting efficiency, co-operation and job satisfaction.

Annex to Chapter II : Summary of statutes

Disabled Persons (Employment) Acts 1944 and 1958

The object of these Acts is to assist men and women who are handicapped by disablement to get suitable employment which makes the best use of their skill. Provision is also made for the registration of disabled persons and an obligation is placed upon employers to employ a certain quota of registered disabled persons.

Dock Workers (Regulation of Employment) Act 1946

Authorises the making of schemes for ensuring greater regularity of employment for dock workers and for ensuring the adequate supply of such workers. (The present scheme under this act dates from 1967. The 1976 Dock Work Regulation Act makes provision for a new and more extensive scheme, but these provisions have not yet been implemented).

Employers' Liability (Compulsory Insurance) Act 1969

This Act requires employers to insure against their liability for bodily injury or diseases sustained by their employees and apprentices in any business (whether

engaged in manual, clerical or other work). Regulations may limit the amount for which an employer must insure, and may exempt employers. Provision is made for the display of certificates of insurance (issued by the insurers) for the information of employees.

Employment Agencies Act 1973

Requires employment agencies and employment businesses to be licensed and give the Secretary of State power to make regulations to secure proper conduct and to protect the interest of persons availing themselves of their services. The Act has been amended by the Employment Protection Act 1975, which transfers the licensing functions of local authorities to the Secretary of State.

Employment Subsidies Act 1978

This Act authorises the Secretary of State in times of high unemployment to set up schemes for making payments to employers to enable them to retain persons in employment who would - or might - otherwise become unemployed, to take on new employees and generally to maintain or enlarge their labour force.

Equal Pay Act 1970

This Act, which has been substantially amended by the Sex Discrimination Act 1975 and the Employment Protection Act 1975, prevents discrimination between men and women as regards terms and conditions of employment.

Factories Act 1961

Consolidates earlier Factory and related Acts concerning the safety, health and welfare of factory workers and restricts the hours of women and young persons in factory employment.

Health and Safety at Work etc, Act 1974

Part I makes provision for securing the health, safety and welfare of persons at work, for protecting other persons against risks to health or safety arising out of or in connection with the activities of persons at work, for controlling the possession and use of explosive, highly flammable or otherwise dangerous substances and for controlling the emission into the atmosphere of obnoxious or offensive substances from prescribed classes of premises. For these purposes, Part I imposes general duties on employers and others, and provides for the making of regulations and the approval of codes of practice with a view to enabling the existing health and safety legislation (listed in Schedule 1 to the Act) to be progressively replaced. A Health and Safety Commission is established and given the duty of making arrangements for the purposes mentioned above and the power to submit proposals for regulations and to approve codes of practice. A Health and Safety Executive is established to be the main enforcing authority and to perform functions on behalf of the Commission. Both bodies are subject to control by the Secretary of State.

Part II provides for the continuance of the Employment Medical Advisory Service and enables the Secretary of State to arrange for responsibility for maintaining the service to be discharged by the Health and Safety Commission or some other body.

Part III deals with building regulations.

The Act has been amended by the Employment Protection Act 1975 which removes the special provisions relating to health and safety at work in agriculture and restricts the appointment of safety representatives to those appointed by recognised trade unions.

Holidays with Pay Act 1938

Empowers statutory wage regulating authorities to provide for holidays with pay for their workers and enables the Secretary of State for Employment to assist voluntary schemes for securing holidays with pay in other industries. Sections 1, 2, 3 and 5 of the Act were repealed by the Statute Law (Repeals) Act 1975.

Industrial Training Act 1982

Makes provision for industrial and commercial training of persons over school-leaving age by authorising the establishment of industrial training boards with powers to make, or secure provision of, facilities for training and to spread the cost of training more evenly by imposing a levy on employers. This Act is amended by the Employment and Training Act 1973 consequent on the establishment of the Manpower Services Commission under that Act.

Job Release Act 1977

This Act provides financial authorisation in respect of sums required by the Secretary of State in paying temporary allowances to persons approaching pensionable age, under schemes made and implemented with a view to creating job vacancies and otherwise mitigating the effects of high unemployment.

Mines and Quarries Acts 1954 and 1971

The Acts make provision with respect to the management and control of mines and quarries and for securing the safety, health and welfare of persons employed in them.

Offices, Shops and Railway Premises Act 1963

Makes provisions for the safety, health and welfare of persons employed in such premises.

Payment of Wages Act 1960

Removes certain restrictions imposed by the Truck Acts, and other enactments, regarding payment of wages; authorises - subject to other requirement - payment of wages by postal or money order, cheque or into payee's bank account. The Act has been amended by the Employment Protection Act 1975, which makes fresh provision regarding the issue of itemised pay statements.

Race Relations Act 1976

This Act, which repeals the Acts of 1965 and 1968, makes discrimination on racial grounds unlawful. The Act also establishes a Commission for Racial Equality with the function of opportunity, and good relations, between persons of different racial groups generally. The Sex Discrimination Act 1975 is amended by the Act to ensure uniform administration and enforcement of the two Acts where appropriate. The Act also makes minor consequential amendments to the Employment Protection Act 1975.

Sex Discrimination Act 1975

This legislation, the first of its kind in Britain, renders unlawful certain kinds of sex discrimination and discrimination on the ground of marriage and establishes an Equal Opportunities Commission with the function of working towards the elimination of such discrimination and promoting equality of opportunity between men and women generally. It amends the Equal Pay Act 1970 so as to confine the operation

of that Act to contractual terms of service and thus avoids an overlap between the two Acts. The Health and Safety at Work etc Act 1974 is amended by this Act which is itself amended by the Employment Protection Act 1975 and the Race Relation Act 1976.

Trade Union and Labour Relations Acts 1974 and 1976 and Employment Acts 1980 and 1982

These Acts provide for and define the ability of trade unions and individuals to organise lawful industrial action and protect employees against dismissal on the grounds that they are or are not union members.

Truck Acts 1831 to 1940

The general effect of these Acts is to provide that workmen's wages must be paid in cash and not in goods and that the employer must place no restrictions on the workman as to the manner in which he spends his wages.

Wages Councils Act 1979

This Act consolidates earlier enactments relating to Wages Councils. It provides for the establishment of wages councils and empowers them to make orders fixing the remuneration, the holidays to be allowed and any other terms and conditions for workers covered by the wages council.

The Employment Protection (Consolidation) Act 1978

This Act provides employees with the right not to be unfairly dismissed and with rights to redundancy notice etc.

Chapter III: LEGAL FRAMEWORK

Outline of GB Social Security Benefit Conditions For Unemployment

Note: This guide gives the broad effects of the legal conditions which govern benefit entitlement. The Acts and Regulations on which it is based are naturally much more detailed.

Introduction

Cash help designed specifically to meet the loss of income due to unemployment is provided by two kinds of social security benefits: **unemployment benefit (UB)** and **supplementary benefit (Supp Ben)**.

UB is an insurance-based benefit, entitlement to which depends on the claimant's:

- social security contributions (see page 25 and Annexes A and B)
- being "unemployed"; statutory regulations provide a number of circumstances in which a day is not a day of unemployment (see page 25)
- being available for and capable of employment (see page 26)
- not being disqualified for getting UB; the law provides a number of disqualifications, broadly due to some action of the claimant (see page 27 et seq.)

UB can be increased by allowances for an adult dependant (subject to certain conditions, eg. that the dependant is not earning over a certain amount) and for dependent children.

Supplementary Benefit provides a general safety-net for those in financial need, either because they do not qualify for UB, or the UB is not enough. It is a non-contributory means related benefit payable under the authority of the Supplementary Benefits Act to people in Great Britain aged 16 and over who are not in full-time work and whose resources fall short of their requirements.

Benefit is assessed on the basis of assessment units, ie. father, mother and dependent children (if any). Normally only the father or husband can claim on behalf of the assessment unit, and the needs and resources of the unit are aggregated although from November 1983 the rules will be changed to enable either partner to claim, subject to the claimant having recent links with the labour market. More details on Supp Ben. for unemployed people are provided in annex C. Policy on both UB and Supplementary Benefit is controlled by the Department of Health and Social Security. The administration, assessment and payment of UB is by the Department of Employment acting as DHSS' agent. Administration and assessment of Supplementary Benefit is by DHSS, but DE usually makes the actual payments to the unemployed, through its network of benefit offices.

UNEMPLOYMENT BENEFIT

Contribution Conditions

UB is payable only if contribution conditions are satisfied. These, preceded by the related definitions, are set out in Annex A. Annex B deals with credits of contributions for people who are unemployed.

Periods Payable

UB is not paid:

- for less than 2 days of unemployment in any period of 6 consecutive days;
- for the first 3 days (the "waiting days") of a period of interruption of employment.

After waiting days have been served benefit is payable for 312 days excluding Sundays (ie. a year) in any one period of interruption of employment (see Annex A). Further benefit is not payable until the claimant has undertaken at least 16 hours work as an employee in each of 13 weeks.

Whether Unemployed

A day is not a day of unemployment, and UB is not payable for it, when

- a) any work, paid or unpaid, is done unless all the following conditions apply to that day;
 - the earnings are not more than £2.00 a day
 - the claimant is available for full-time work as an employee
 - if the work is for an employer it is not in the claimant's usual main occupation, UNLESS the work is done for a charity; or for a local or health authority and is the kind of service which is capable of being provided by a charity, when it does not matter if it is in the usual main occupation;
- b) a payment from the former employer is made for that day in lieu of either notice or wages lost because the job has ended;
- c) the day is covered by entitlement to:
 - an Industrial Tribunal award of compensation for loss of wages; or
 - a guarantee payment (under either the Employment Protection Act, or a collective agreement or wages order); or
 - Temporary Short-Time Working Compensation;
- d) the day is one of normal holiday from work, even if it is not paid for by the employer. But it may be possible to get benefit if the claimant has to take an unpaid holiday and, since the previous 1 March, has already had as much holiday as is normally given in the present job - even if the holidays taken were in a previous job;
- e) if the day in question is in a week in which the claimant has done his or her normal week's work; OR if it falls in a week of short-time work and it is a day (for example Saturday) which would not normally be worked.

Available for Work

To qualify for UB a person must show that he is capable of, and able and willing to do, work for an employer on conditions and for hours similar to those on and for which people are employed in the area in which the person claiming is prepared to work.

If he restricts the nature, hours, rate of pay, locality or other conditions of employment which he is prepared to accept, so that he then has no reasonable chance of getting a job, he will not get UB, unless he shows that the restrictions are reasonable because of his physical condition, or the nature of his usual occupation and the length of time he has been unemployed. If he restricts himself to a certain kind of job which he is unlikely to get because of a temporary trade recession in the area, he may get benefit if the restriction is considered reasonable.

Disqualification for getting UB

The main grounds on which a claimant may be disqualified are:

- losing a job because of misconduct;
- leaving a job voluntarily without good cause;
- refusing suitable employment or training;

- because he is participating or directly interested in a trade dispute at his place of work;
- imprisonment;
- being abroad

Further information about these follows.

Losing Employment due to Misconduct, or Leaving it Voluntarily

UB can be lost for up to 6 weeks if the claimant:

- loses his job through misconduct. 'Misconduct' can mean no more than that he has done something or failed to do something, and, because of this, a reasonable employer would consider him no longer fit to hold his job. For example, it could mean refusing to carry out a reasonable instruction given by the employer or repeatedly staying away from work without explanation or permission. Misconduct must be proved and the former employer, therefore, needs to be consulted.
- leaves his job voluntarily without good reason. (A person has, of course, the right to leave his job if he wants, subject to the terms of his contract of employment, but it does not necessarily mean that he can get unemployment benefit. The former employer may be asked why he left, and if it is found that he left voluntarily it will be for him to show that he had good reason for leaving.)

Refusing Suitable Employment, Recommendations, or Training

UB can be lost for up to six weeks if the claimant:

- without good reason refuses or fails to apply for a suitable job, or refuses or fails to accept the chance of a suitable job notified by an officer of the Manpower Services Commission, local education authority careers officer, some other recognised agency or employer or someone on behalf of an employer; or
- fails to take a reasonable chance of a job; or
- without good reason refuses or fails to carry out reasonable recommendations (given to him in writing by an officer of the Department of Employment, the Department of Health and Social Security, Manpower Services Commission or local education authority) to help him to find a suitable job; or
- without good reason refuses, or fails to accept, a reasonable opportunity of receiving approved training, to help him to get regular work.

Definition of "Suitable Employment"

Employment in a claimant's usual occupation is normally regarded as suitable employment, but after a reasonable time other work may be regarded as suitable. An offer of work would not be regarded as suitable if:

- the wages and conditions were not as good as those generally paid by agreement between associations of employers and of employees or, if there were no such agreement, those generally paid by good employers; or
- the job had become vacant because of a stoppage of work due to a trade dispute.

Loss of Employment due to a Trade Dispute

If someone loses his job because of a stoppage of work due to a trade dispute at his place of work, he will not be able to get benefit for as long as the stoppage lasts, unless he can prove that he is not taking part in, or directly interested in, the trade dispute which caused the stoppage. If, however, during the stoppage he gets another job elsewhere and then becomes unemployed again, he may be able to get benefit.

Imprisonment

A person cannot get UB for any period of imprisonment or detention in legal custody.

Absence Abroad

UB cannot normally be paid to anyone (excepting seafarers) while absent from the UK or Isle of Man. EC Regulations can sometimes enable UB to continue in payment for up to 3 months if a person leaves the UK to seek work in another member state, after claiming UB for a period usually of 4 weeks or more.

Payments which can affect UB

The following types of payment can affect UB as described.

Occupational Pensions:

If a claimant is:

- aged 60 or over; and
- gets an occupational pension of over a prescribed amount (currently £35 before tax) - the total UB will be reduced by 10 p for each 10 p the pension exceeds that amount.

Payments from public funds:

UB cannot be paid at the same time as an equivalent or greater amount by way of :

- any other weekly national insurance benefit (ie sickness or invalidity benefit, retirement pension, widow's benefit or maternity allowance); or
- industrial injuries benefit; or
- an unemployment supplement of any kind; or
- training allowances from public funds.

Some benefits are incompatible because the conditions for getting them conflict (eg sickness and unemployment benefit). Where a person could get one of two compatible benefits, he or she is normally able to get the payment of the highest value.

Special Groups of Claimants

For some groups of claimants, special arrangements are made. These are:

- Men between 65-70, women 60-65
They can receive UB provided they meet the usual conditions and have not retired from regular employment. The rate they receive is the basic retirement pension which would have been payable if that person had retired.
- Students
A student who claims unemployment benefit during the Christmas or Easter holidays will have to meet an additional test. That is, he must have paid contributions (credited contributions do not count) on earnings of at least 50 times the weekly lower earnings limit for contributions in either of the last two complete tax years before the benefit year in which the period of interruption of employment began. Once this test has been met it will not have to be satisfied again. See Annex A for definitions of the terms used.
- People from Abroad
Someone who has recently come from:
 - another country of the EC; or
 - a country with which Britain has reciprocal arrangements concerning UB, may be able to count the residence or insurance in that country to help get UB.
- Seasonal Workers
A seasonal worker (ie. broadly, one who has had employment for only the same part of the year for each of the last 3 years, with a workless break of 7 weeks or more each year) must, in addition to meeting all the usual conditions for UB, satisfy the following additional rule for claim in the "off-season":

- he must have either worked for a quarter of the current off-season, or stand a good chance of getting that amount of work in the off-season.

These additional conditions have to be satisfied regardless of whether the claimant chose to be a seasonal worker or became one by force of circumstances.

- People aged 60 or over

Provided they are not in receipt of unemployment or supplementary benefit people aged 60 or over need not claim at the UB office for the sole purpose of obtaining credits of national insurance contributions. They will receive such credits automatically and unconditionally from the DHSS central records branch.

Decisions on Doubtful Claims

If any question arises about entitlement to UB it is decided by independent statutory authorities. The first of these is an Insurance Officer. A claimant can appeal to a Local Tribunal against the Insurance Officer's unfavourable decision and has a further right of appeal against the Tribunal's decision, subject to leave, to a Social Security Commissioner. As all these authorities are independent their decisions on individual claims cannot be interfered with by Ministers or Officials.

DEFINITIONS

The following definitions apply to the contribution conditions for UB.

- Tax year: starts on 6 April and ends on 5 April of the following year.
- Benefit year: starts on the first Sunday in January and generally ends on the first Saturday of the following year; the Benefit Year for a particular UB claim is the one in which the period of interruption of employment containing the first day of claim starts.
- Period of interruption of employment: this consists of:
 - at least 2 days (consecutive or not) of unemployment in any 6 consecutive days, excluding Sundays (days covered by training allowances paid from public funds count as days of unemployment); OR
 - at least 4 consecutive days (not counting Sundays) of incapacity for work (including days for which maternity allowance is payable)

Periods of interruption of employment which are not separated by more than 8 weeks are treated as one period.

- Relevant tax year: the last complete tax year before the start of the benefit year relevant to the UB claim.
- Weekly lower earnings limit: the lowest level of earnings on which a claimant has to pay a Class 1 contribution.
- Weekly upper earnings limit: Class 1 contributions are not payable on earnings above this amount.

Class 1 contributions: those paid by an employed earner.

The Contribution Conditions for UB

1. The claimant must have paid, in any one tax year since 6 April 1975, Class 1 contributions which give a total of at least 25 times the contributions payable on earnings at the lower earnings limit for that year. If he paid 26 flat-rate Class 1 contributions before 6 April 1975 he will be treated as having met this condition. Sometimes contributions paid before and after that date can be added together to make the 26 needed.

2. He must have paid, or been credited in the relevant tax year with Class 1 contributions which give a total of at least 50 times the contributions payable on earnings at the lower earnings limit for that year. If he does not have the full total of contributions payable on earnings at the lower earnings limit for that year, he may get benefit at $\frac{1}{2}$ or $\frac{3}{4}$ rate.

Credits given when unemployed (see Annex B) or sick can only count if, during the tax year for which they were given, the claimant:

- paid Class 1 contributions on earnings of at least 13 times the weekly lower earnings limit for that year; or
- claimed and qualified for unemployment benefit, sickness benefit or maternity allowance; or
- did not get unemployment or sickness benefit for the weeks covered by the credits because his entitlement had run out (eg. he had already had unemployment benefit for the maximum of 312 days), or
- was paid invalidity pension, invalid care allowance, injury benefit or unemployability supplement (or would have been but for some other benefit being paid); or
- received a credit for any week of approved training.

If someone has recently left school, and has to claim before he can satisfy the second contribution condition, he may be credited with contributions to help get benefit later.

Someone who has recently left college or university, or was an apprentice with earnings below the lower earnings limit, may be helped to get benefit after the course or apprenticeship ends. But the course must have started before he was 21, and he must also satisfy the first contribution condition.

CREDITS DURING UNEMPLOYMENT

A claimant will generally be given a contribution credit for each complete week (Mon-Sat), during which he has been unemployed and available for work. But no credit will be awarded to a married woman with reduced contribution liability; or for any weeks in the tax year in which a claimant reaches age 65 (men)/60 (women).

Benefit does not have to be paid to get credits. They can be awarded if someone does not get UB because he does not satisfy:

- the normal contribution conditions; or
- the requalification conditions for further benefit after being paid for 312 days; or
- the special conditions for a seasonal worker during the off-season.

But he will not get credits if he does not get UB for most other reasons - for example, because of a payment received from his employer.

If someone is unemployed and available for work for a part of a calendar week, and sick for the rest of the week, he may be credited with a contribution. But to get a credit he must claim at the Unemployment Benefit Office and also send a statement of incapacity to the local Social Security Office.

People aged 60 or over receive automatic credits and need not claim at the UBO (see page 30).

OUTLINE OF SUPPLEMENTARY BENEFIT CONDITIONS FOR UNEMPLOYED PEOPLE

INTRODUCTION

Supplementary benefit is a non-contributory means related benefit payable under the authority of the Supplementary Benefits Act, to people in Great Britain aged 16 or over, who are not in full-time work, and whose resources fall short of their requirements.

Benefit is assessed on the basis of assessment units ie. father, mother and dependent children (if any). Normally only the father, or husband can claim on behalf of the assessment unit and the needs and resources of the assessment unit are aggregated.

Scale Rates

The basic element of entitlement is the scale rates which are standard amounts (at rates fixed by Parliament and up-rated annually) intended to cover all day to day items of normal living expenses. Pensioners and other claimants who have received supplementary benefit for a year and who are not required to be available for work are entitled to a higher 'long-term' scale rate. But the unemployed under 60 cannot qualify for this higher rate. The main scale rates are for single people, couples and 3 different rates for children.

Housing Requirements

Amounts of benefit are added to cover (reasonable) housing costs. A standard amount is paid to someone living in another person's household.

Additional Requirements

Additional requirements may be awarded to meet expenses which are either abnormally high or which are not covered by the scale rates. Examples of these are heating costs, cost of special diets, extra expenses for blindness, laundry costs, fares to visit patients in hospital etc.

Resources

Capital

Capital of up to £2,500 (from November 1982) is ignored altogether. But, if the capital resources of a dependant being the total capital of the assessment unit is over £2,500 then the capital of the dependant is ignored and an income equivalent to his normal and additional requirements is taken into account in full.

Income

Different forms of income are taken fully into account, partly disregarded or fully disregarded.

Income taken into account in full

This involves income which is intended to provide day-to-day maintenance, such as:

- Social security benefits such as UB, SB, IVB, RP.
- Periodic redundancy payments
- Occupational pensions
- Maintenance payments from liable relatives
- Child benefit
- Family Income Supplement
- MSC training allowances
- Job Release Allowance
- Sick pay from an employer.

Income Disregarded in full

This includes income for specific purposes not covered by supplementary benefit requirements, such as:

- Attendance Allowance
- Mobility Allowance
- Resettlement benefit
- Gallantry awards
- A payment (eg. received from a charity) which is intended and used for the provision of a leisure or amenity item (eg. TV licence and rental) or an item which is not provided in normal, additional or housing requirements.

Income Partly Disregarded

Partial disregards normally apply because of the exceptional nature of the income (eg. disability pensions) or because of the disincentive effect of taking the income fully into account (eg. part-time earnings). Some types of income have a specific partial disregard, viz:

Educational maintenance allowances	£7.50 for those attending school £9.50 for others
Gifts for Christmas, birthday etc	£100 from November 1982
Student Grants	£2.00

Any other form of income which is not specifically provided for in the regulations to be taken fully into account or disregarded attracts a disregard of £4. This £4 applies to the aggregate of all forms of relevant income the claimant receives. The £4 disregard applies to:

- War and industrial disability and widows pensions
- Income from trust funds
- Voluntary payments from relatives (not LRs) or charitable bodies
- Profits from subletting the home
- Any other unspecified income

Earnings

In addition to the disregards mentioned in the preceding paragraphs, the earnings of a claimant from part-time work, and of his partner from full or part-time work are partly disregarded as follows:

- Single parent - £4 plus half the balance of any earnings between £4 and £20
- All other claimants and their partners - £4
- Dependants - disregard in full

The disregard is applied to the net earnings after deductions for tax, National Insurance contributions, occupational pension contributions and after allowing for reasonable expenses incurred in connection with work such as travelling expenses, cost of child minding etc.

Income of Dependants

Any income (except on LR payment) which is payable to a dependant is taken into account only to the extent that, after allowing any appropriate disregard, it does not exceed the dependant's normal and additional requirements.

Notional Resources

Any resource which

- a person has deprived himself of for the purpose of obtaining or increasing the amount of supplementary benefit, or
- is available to a person on application but he has not taken steps to obtain may be treated as possessed by that person.

Full-time work

A person who is engaged in remunerative full-time work is not entitled to supplementary benefit. Regulations provide for the circumstances in which a person will be regarded as being in full-time employment.

Whether Unemployed

For supplementary benefit purposes a person will be regarded as being in full-time work if he is engaged in work for which payment is made or expected to be made, on average for not less than 30 hours a week (35 hours for certain disabled people).

This exclusion will also apply when a person ceases employment as follows:

- An employed person will be excluded, under this full-time work rule, for a period equal to that covered by his last earnings (including holiday pay, commission and bonus).
- A person who was self-employed immediately prior to becoming unemployed will be excluded for a fixed period of 14 days beginning on the first day he stopped work.

The full-time work exclusion will not apply if:

- A person is attending a training course for which he receives an allowance payable from public funds, or
- On starting work after a period of unemployment until 15 days have elapsed, beginning on the first day of employment.

If the claimant is still excluded under the full-time work rule by reason of his previous employment the period will be adjusted accordingly.

Availability for work

With certain exceptions fit claimants of working age are entitled to benefit only so long as they are available for employment and, if under 18 years old, register for work.

Apart from contact as required with the local job centre, registration involves regular attendance (usually fortnightly) at the Unemployment Benefit Office as in the case of a person receiving unemployment benefit.

Claims from people required to register for employment are assessed in the same way as in the case of a person receiving unemployment benefit.

Of the unemployed people on supplementary benefit, some require no help in finding work but others have a variety of handicaps which lessen their chances of employment. Some need encouraging to take work to maintain themselves. The control of claims is geared to the behaviour and characteristics of the individual.

Special reviews

Unemployed claimants who are at least five years below retirement age and who have no known serious handicap in getting work, and those who frequently resort to benefit because they have left, lost or refused work without good cause, may have their claims reviewed by Unemployment Review Officers (UROs). The aim is to find out the underlying causes of unemployment. Help and encouragement is given to those who are losing heart in trying to find work, and the URO will try to assist those with personal problems that make job-finding difficult. It may be necessary in some cases to recognise that because of some handicap a claimant has little hope of getting, or settling in to, work, while others who seem reluctant to work may need persuading that it is in their own interest to take it.

Special consideration is given to men and women who appear to be hampered in finding a suitable job because of some physical or mental handicap. Where the handicap is so serious that there is doubt whether it is appropriate to require registration for employment as a condition for receiving an allowance, the Divisional Medical Officer (Regional Medical Officer in Scotland) is consulted. He is also asked to advise on any need for medical treatment, rehabilitation etc. in the case of selected claimants for whom such advice is likely to be helpful. Each examination is followed by a case conference attended by the examining doctor, and officer of the Department and a representative of the local Job Centre or Employment Office.

Voluntary unemployment (page 20)

THE 40% REDUCTION

People required to register for employment may be disqualified from receiving national insurance unemployment benefit for up to 6 weeks because they have, for example, left work voluntarily without good reason, lost a job through misconduct or refused suitable employment without good cause. This is referred to as voluntary unemployment and when it happens, supplementary benefit has to be reduced by 40% of the personal scale rate for the same period. Similarly, a 40% reduction is applied in cases of voluntary unemployment where there is no actual entitlement to unemployment benefit because of failure to satisfy national insurance contribution conditions. More usually a 40% deduction is made where the payment of unemployment benefit has been suspended or the circumstances seem to warrant suspension pending the insurance officer's decision of disqualification. Where the deduction is made in anticipation of disqualification, however, arrears are paid if the insurance officer subsequently decides in the claimant's favour.

Most claimants should be able to manage on a reduced allowance after a period of employment, but where the claimant's savings do not exceed £100, there are some circumstances where a lower reduction should be made eg.

- where a member of the family is either pregnant or seriously ill;
- where there is a child under 5 years of age in the family.

The lower rate of reduction is one half of the standard (40%) rate, subject to rounding.

REFUSAL OR WITHDRAWAL OF AN ALLOWANCE

Where a claimant unreasonably restricts his availability for work (for example by limiting the wage he is prepared to accept or the hours he will work) so that he reduces his chances of getting a job, or if he undertakes activities inconsistent with full-time work, then his allowance may be withdrawn. Normally, the decision whether he is available for work is placing unreasonable restrictions on the work he will do will be made by the Insurance Officer of the Department of Employment. Supplementary benefit will be withdrawn while a decision is awaited.

Where the Insurance Officer decides that a claimant has refused suitable employment without good cause and the job is still available to the claimant or open to application, the benefit officer may deem that the claimant is making himself unavailable for work and his allowance may be withdrawn.

Anyone who is dissatisfied with a decision to withhold an allowance can appeal against it to a Tribunal and, pending the hearing, he may receive payments for 'urgent needs'.

CRIMINAL PROCEEDINGS

People who persistently claim allowances because they leave, lose or refuse suitable work without good cause may be prosecuted for refusal or neglect to maintain themselves and their dependants. Prosecution is seen as a last resort and cases are carefully investigated by local and Regional Offices, and again at Headquarters, before the decision to prosecute is taken.

Imprisonment

A person in legal custody cannot get benefit while he is in prison or an equivalent institution. This covers periods awaiting trial as well as after conviction.

Special Cases

Courses are provided at re-establishment centres for men who are in need of re-establishment through lack of regular occupation or lack of instruction or training. They are usually men who, because of long-term unemployment or irregular work need help in order to be able to face up successfully to the demands of a normal working life. The training they are given does not involve specific trade skills; most do bench work of a simple kind, woodwork or metal work. The routine of 'going to work' and working regular hours alongside other people, plus the positive encouragement received from the staff often leads to men's self-confidence being restored sufficiently for them to be ready for regular employment. They are helped to find jobs or, if a man shows an aptitude for trade training, a place on a training course can be arranged.

Supplementary benefit claimants aged 60 or over may choose to stop claiming at the unemployment benefit office and receive instead a higher rate of supplementary benefit which acknowledges that they have in effect opted to retire early.

Chapter IV: MEASURES Overview

1. General measures

2. Employment maintenance measures

- Temporary short-time working compensation scheme (U.K.-ii.1)
- Young Workers Scheme (U.K.-ii.2)

3. Measures giving aid to the unemployed

- Unemployment Benefit (U.K.-iii.1)
- Supplementary Benefit (U.K.-iii.2)
- Job Release Scheme (U.K.-iii.3)
- Enterprise Allowance Scheme (Pilot Experiment) (U.K.-iii.4)

4. Measures aimed at training, retraining and occupational mobility

- General
- Youth Opportunities Programme (YOP) terminating in 1983 (U.K.-iv.1)
- Youth Training Scheme (U.K.-iv.2)
- Training for Skills Programme (U.K.-iv.3)
- Training Opportunities Scheme (U.K.-iv.4)
- Direct Training Services (DTS) (U.K.-iv.5)
- New Training Initiative (U.K.-iv.6)

5. Job creation measures

- Community Industry (CI) (U.K.-v.1)
- Community Programme (U.K.-v.2)

6. Measures in favour of special categories of people

- Handicapped (U.K.-vi.1)
- Race relations in employment (U.K.-vi.2)

7. Measures dealing with working time

- General

8. Placement measures

- Geographical mobility (U.K.-viii.1)

1. General measures

1. The UK Government's industrial policy is designed to create the conditions for sustainable growth in output and employment. Jobs arise when firms produce the goods and services which customers at home and abroad want at a competitive price. The Government's main task is therefore to create a climate in which industry can be efficient and prosper. Although it will take time to fully recover from the current recession, considerable progress has been made on this front.
2. Higher output and employment can also be encouraged by specific measures to promote competitiveness and adaptability in the economy. The Department of Industry and the Scottish and Welsh Offices have a number of schemes to assist industry. These take the form of advisory services and of financial assistance. The main emphasis of these schemes is to stimulate investment and efficiency rather than directly on creating employment since a sound industrial base is essential to achieve economic growth and a real increase in employment opportunities.
3. Nevertheless many of these schemes take account of the employment situation. The Government's regional industrial policy is concentrated on those areas with persistently high rates of unemployment and structural decline - areas of greatest need have been designated Assisted Areas. Grants made under Section 7 of the Industry Act of 1972 are provided only in the Assisted Areas and only where there is a benefit to employment. In the case of new projects and expansion account is taken of the amount of new employment to be created in determining the amount of assistance given. For modernisation and rationalisation projects, the maintenance and/or safeguarding of jobs is taken into account. To be assisted, projects must be viable and an applicant has to show that the planned project would not proceed without Section 7 assistance. Financial assistance is available also under the in-plant training scheme for projects where training is an essential element and where a minimum of 25 jobs are provided. This scheme attracts a matching contribution from the European Social Fund. For service industry projects, the Office and Service Industry Scheme provides grants based solely on the number of jobs created.
4. As well as Section 7 assistance, Regional Development Grants are available under Part 1 of the Industry Act 1972 on new investment in manufacturing activities in the Special Development and Development Areas.
5. In the assisted areas, Government factories may be available for projects creating new employment. Additionally, firms in the Special Development Areas and Development Areas and in any part of Northern Ireland are given every opportunity to tender for public contracts for the supply of goods and services under the Contracts Preference Scheme.
6. Loans are available on favourable terms from the European Investment Bank and the European Coal and Steel Community.
7. The Government have also established a number of Enterprise Zones to test, on an experimental basis for a 10-year period, how far industrial and commercial activity can be encouraged by the removal of certain fiscal, planning and administrative constraints. This, it is hoped, will lead to increased employment opportunities both in the areas concerned and elsewhere.
8. The Government have developed their assistance to the small firms sector in the belief that small businesses are the basis of future industrial growth and job creation. The steps taken to help small firms, steps which number over 90, fall into 3 main areas:

- The first area is the provision of a fiscal system which allows risk and effort to be adequately rewarded.
 - The second is the removal of unnecessary burdens and constraints.
 - The third is the development of a comprehensive national advisory service which is proving increasingly popular.
9. The measures described above operate together with other schemes to promote research and development and greater use of technology to help industry to flourish and expand, bringing with it new opportunities. This is seen as the only way to create secure jobs for the future.

SPECIAL EMPLOYMENT MEASURES

The UK Government's priority for the unemployed is to ensure that real and permanent jobs are created in efficient and competitive firms and its economic strategy is designed to that end. Part of that strategy aims to alleviate the worst effects of unemployment for those groups of people hardest hit by the recession. In 1983/84 UK will be spending around £1.8 billion on this programme of measures giving priority to measures which help the young unemployed - spending on the Young Workers Scheme in 1983/84 is expected to be £77.9 million.

2. Employment maintenance measures

- Temporary short-time working compensation scheme (U.K.-ii.1)
- Young Workers Scheme (U.K.-ii.2)

TEMPORARY SHORT-TIME WORKING COMPENSATION SCHEME

Aim

To encourage employers to adopt short-time working as an alternative to making workers redundant.

Legal basis

Employment Subsidies Act 1978.

Contents

Firms intending to make 10 or more workers redundant are reimbursed for workless days at the rate of 50% of normal earnings plus National Insurance contributions.

Financial resources

1983/84 Estimated expenditure £34m.

Institutional support

Administered by Regional Offices of the Department of Employment.

Duration

Scheme closes for applications on March 31, 1984. Firms are eligible for this support for a maximum period of six months.

Effects

Number of people covered in:	
June 1981	- 557,300
June 1982	- 117,000
April 1983	- 114,000

YOUNG WORKERS SCHEME

Aim

To encourage employers to take on more young people at realistic wage rates which more accurately reflect their inexperience and frequently their need for training.

Legal basis

Employment Subsidies Act 1978.

Contents

Employers claim weekly payments in respect of young people in their employment who are under 18 and in their first year of employment and whose gross earnings are less than £47 per week. Payments are made at the rate of £7.50 per week where the eligible young person is earning £47 or less a week, or £15 a week where the gross earnings are £42 a week or less.

Financial resources

1983/84 Estimated expenditure £77.9m.

Institutional support

Administered by Regional Offices of the Department of Employment.

Duration

Payments are made for a maximum period of 12 months per eligible employee.

Effects

Total number of approved applications since start of scheme to 31 May 1983 - 192,000.

3. Measures giving aid to the unemployed

- Unemployment Benefit (U.K.-iii.1)
- Supplementary Benefit (U.K.-iii.2)
- Job Release Scheme (U.K.-iii.3)
- Enterprise Allowance Scheme (Pilot Experiment) (U.K.-iii.4)

UNEMPLOYMENT BENEFIT (UB)

Aim

To ensure compensation for workers involuntarily deprived of employment

Legal basis

Social Security Act 1975 and consequent regulations

Contents

Field of application and conditions for admission: see Chapter III pp. 24 - 32

UB is basically payable for 312 days, excluding Sundays at £25.00 a week, £27.05 a week from 24 November, to unemployed persons who are capable of work and are available for employment as an employed person and who satisfy contribution conditions. There is an extra £15.45, £16.70 from 24 November, payable for a wife, subject to her earnings and an extra 30p, 15p from 24 November, payable for each child.

Financial resources

Expenditure is covered by employer and employee unemployment contributions (Department of Health and Social Security)

Institutional support

The Unemployment Benefit Service of the Department of Employment on behalf of the Department of Health and Social Security

Effects

Year	Beneficiaries	Gross compensation
1979	386,619	633,277,975
1980	778,606	1,063,499,447
1981	837,652 ¹	1,359,291,173
1982	713,731	1,567,871,949

1. Due to industrial action there was no count for 1981. The count took place in February 1982.

SUPPLEMENTARY BENEFIT

Aim

To provide a general safety net for those in financial need either because they do not qualify for unemployment benefit, or because UB is not enough

Legal basis

Supplementary Benefits Act (1976) and consequent regulations

Contents

Benefit is assessed on the basis of assessment units, the needs and resources of which are aggregated.

The main scale rates are for single people, couples and children (3 rates), with amounts added to cover housing and other additional requirements.

Standard amounts (April 1983): Couple £41.70, single £25.70 (householder), £20.55 (non householder).

Financial resources

Being non-contributory, supplementary benefits are paid from the budget of the Department of Health and Social Security

Institutional support

Supplementary benefit is controlled by the Department of Health and Social Security, but the administration, assessment and payment is carried out by the Department of Employment acting as DHSS agent

Effects

Year	Beneficiaries	Gross Compensation
1979	471,724	569,969,142
1980	663,934	779,272,871
1981	1,183,079 ¹	1,200,599,494
1982	1,428,468	2,500,413,899

1. Due to industrial action there was no count for 1981. The count took place in February 1982.

JOB RELEASE SCHEME

Aim

To encourage older workers to give up work early thus releasing their jobs for unemployed people.

Legal basis

Job Release Act 1977

Contents

Those leaving their jobs receive a weekly allowance provided that their employer agrees to recruit an unemployed person in their place. Three schemes are currently in operation: One for all men aged 64 and women aged 59, the second for men aged 62 and 63 and the third for disabled men aged 60 and 61. The allowances for men aged 64 and women aged 59 are tax free and are £57.75 for a married person with a dependent spouse earning less than £13 per week and £45.70 for all other applicants. The allowances for the other schemes are taxable but are paid at the higher rates of £67.20 and £54.60 respectively.

A part-time Job Release Scheme will be introduced in October 1983. An allowance will be paid to workers nearing state pension age who move from full-time to part-time work provided that an unemployed person is taken on for the other half of their job. The eligible groups will be women aged 59, men aged over 62 and disabled men over 60. The Scheme will run until March 1985.

Financial resources

1983/84 Estimated expenditure for both full- and part-time schemes is £304m.

Institutional support

Initial applications are submitted to Employment Division Jobcentres. The scheme is administered centrally.

Duration

Full-time schemes close for applications on 31 March 1984.

Duration of allowance depends on age on joining the Scheme, but is paid until state pension age (see content).

Effects

Number of people covered in:

June 1982	- 68,000
March 1983	- 79,000

ENTERPRISE ALLOWANCE SCHEME (PILOT EXPERIMENT)

Aim

To help unemployed people start up in business

Legal basis

Employment and Training Act 1973

Contents

Scheme pays a flat-rate taxable allowance of £40 per week for the first year whilst the business is being established. Applicants must have been unemployed for at least 13 weeks and must be in receipt of unemployment or supplementary benefit at the time of application. They must also show that they have £1,000 which they intend to invest in the business. The scheme was piloted in Coventry, Medway, part of North East Lancashire, Deeside (in North East Wales) and North Ayrshire (in Scotland) and was extended throughout Great Britain from 1 August 1983 to provide support for a further 25,000 people in the period to March 1984.

Financial resources

1983/84 Estimated expenditure is £28m

Institutional support

The scheme is operated by the Manpower Services Commission on behalf of the Department of Employment, with help from the Department of Industry's Small Firms Service.

Duration

Participants receive the allowance for a maximum of 52 weeks.

Effects

Numbers receiving the allowance at the end of July 1983: 2,316.

4. Measures aimed at training, retraining and occupational mobility

General

1. In Great Britain industry and employers have the main responsibility for financing and undertaking training to meet their needs. The Government's role as a direct provider or supporter of training is limited. It has two main purposes:

- to help ensure that there is sufficient trained manpower to meet industry's needs;
- to help individuals equip themselves with skills that will improve their employment prospects.

2. The Government supplements industry's own training efforts by channelling funds through the Manpower Services Commission to support the work of the Industrial Training Boards and other national training organisations; and by supporting training for individuals through the Training Opportunities Scheme (TOPS) and other direct training services.

3. Following the Employment and Training Act 1981 sixteen of the twenty-three Industry Training Boards were wound up during 1982/83. The operating costs of the remaining Boards, previously met by the Government, were returned to industry. The Commission has assisted the establishment of voluntary training arrangements and will continue to offer advice to the new Organisations where necessary.

Training for Skills Programme

The Training for Skills Programme was introduced in 1979 with the general aim of helping industry to avoid serious skill imbalances and reforming training patterns to meet the needs of industry and individuals. In 1982/83 £6.4 million was spent through industry training organisations on training 7,800 adults in computer skills, other new technology areas, upgrading training and specialist skills. The bulk of the budget however was devoted to young people. Support was provided for 25,000 young people undertaking apprenticeships and other types of long-term training, including 5,000 apprentices who had been made redundant. This provision cost £43 million and was administered through industry training organisations. During 1983/84 support for first year apprentices will be subsumed within the Youth Training Scheme. Separate provision has been made to help redundant apprentices.

- Youth Opportunities Programme (YOP) (terminating in 1983) (U.K.-iv.1)
- Youth Training Scheme (U.K.-iv.2)
- Training for Skills Programme (U.K.-iv.3)
- Training Opportunities Scheme (U.K.-iv.4)
- Direct Training Services (DTS) (U.K.-iv.5)
- New Training Initiative (U.K.-iv.6)

YOUTH OPPORTUNITIES PROGRAMME (YOP) (terminating in 1983)

Aim

To provide a range of opportunities for unemployed young people on training courses and work experience schemes.

Legal basis

Employment and Training Act 1973

Contents

The Programme focuses on 16 and 17 year olds but 18 year olds remain eligible where places are available. Entry is normally open to those who have been unemployed for at least six weeks but this rule can be interpreted flexibly. Participants receive a tax free weekly allowance of £25 per week. Courses include employment induction, work experience on employers' premises, training workshops and community service.

Financial resources

1983/84 Estimated expenditure £925m for Youth Opportunities Programme and Youth Training Scheme.

Institutional support

Operated by the Manpower Services Commission

Duration

Average stay on the Programme 22 weeks. The Programme will be replaced during the course of 1983 by the Youth Training Scheme.

Effects

Numbers of young people covered in:
June 1982 - 205,000
March 1983 - 240,000

YOUTH TRAINING SCHEME

Aim

To provide a year of high quality training, combining work experience and a minimum of 13 weeks training "off-the-job". Supersedes Youth Opportunities Programme (YOP).

Legal basis

Employment and Training Act 1973.

Contents

The Scheme will guarantee the early offer of a place to unemployed 16 year old school leavers, but it is hoped that there will be enough provision to cover 16 year olds, unemployed 17 year olds and unemployed 18 year old disabled school leavers. Participants will receive a weekly tax free allowance of £25 per week.

Financial resources

1983/84 Estimated expenditure £925m for Youth Training Scheme and Youth Opportunities Programme.

Institutional support

Operated by the Manpower Services Commission.

Duration

Participants will spend one year on the Scheme.

Effects

460,000 young people expected to take part in the first year of the Scheme.

TRAINING FOR SKILLS PROGRAMME

Aim

To anticipate and ameliorate skill shortages and inaugurate reforms in the traditional apprentice training system.

Legal basis

Employment and Training Act 1973

Contents

Grants are made available through Industrial Training Boards and other bodies to employers taking on apprentices and other long-term trainees additional to their normal requirements.

Financial resources

1982/83 Estimated expenditure £78m.

Institutional support

Operated by the Training Services Division of the Manpower Services Commission.

Duration

Grants are made until trainees are qualified. Courses may last from 2-5 years.

Effects

Numbers covered in:

June 1981 - 29,300

June 1982 - 35,000

1 September 1982 - 35,000

TRAINING OPPORTUNITIES SCHEME

The Training Opportunities Scheme (TOPS) provides vocational training and re-training opportunities for adults who are unemployed or changing their jobs. Courses take place in skillcentres (68), skillcentre annexes (20), on employers' premises and also in further and higher education establishments. Courses range from the semi-skilled level to craft stalls, commercial, technician and business management training.

A number of special courses are also run for individuals who need help to improve their approach to employment and further training. These include Transfer of Employment courses for redundant executives, courses for disabled people and special wider opportunities courses for women.

It is estimated that 59,300 people completed TOPS courses in 1982/83 and the Commission plans for over 65,000 to complete full-time training under the Scheme in 1983/84. Increased emphasis will be placed on courses seeking to upgrade and update existing skills.

DIRECT TRAINING SERVICES

Through its Direct Training Services, MSC offers to employers a wide range of training services largely on a full cost recovery basis, that can be specially tailored to meet the particular training needs of individual employers. Where training is in functional skills considered to be of high economic importance, some reduction in fees is applied. DTS include sponsored training in skillcentres; Mobile Instructor Training on employers' premises; and Training Within Industry (short supervisory and management courses on employers' premises). DTS is designed to supplement industry's own efforts, in particular those of small firms without their own training capacity, and to meet training needs which are not satisfied by other training providers.

There are four broad types of training:

- a) Functional job training in specific skills, currently mainly at operative and craft level. Training is tailored to the requirements of each individual trainee. Training can be provided either in skillcentres or on employers' premises.
- b) Procedural job training covering training in safety requirements (eg power press regulations) and such areas as export/import procedures. These courses can be held in skillcentres, on employers' premises, or at other convenient locations.
- c) Instructor training aimed at helping experienced workers to become instructors. Courses are run at two instructor training colleges and three other units within skillcentres, as well as on firms own premises or other convenient locations.
- d) Supervisory and management training intended to develop the general skills necessary for supervising others. Most users of this service are in the manufacturing sector. Courses are run at convenient locations including employers' premises.

Around 20,750 people were trained through the Commissions Direct Training Services during 1982/83.

NEW TRAINING INITIATIVE

In 1981 the Government set three key objectives in its New Training Initiative. These objectives are:

- First, to develop skill training - including apprenticeship - in such a way as to enable people entering at different ages and with different educational attainments to acquire agreed standards of skill appropriate to the jobs available, and to provide them with a basis for progression through further learning.
- Secondly, to move towards the position where youngsters have the opportunity of continuing in full-time education or of entering a period of planned work experience combined with work-related training and education.
- Thirdly, to open up more opportunities for adults - whether employed, unemployed or returning to work - to acquire, increase or update their skills and knowledge during the course of their working lives.

The third objective has been taken forward by a Working Group on Adult Training, and a discussion paper "Towards an Adult Training Strategy" was published in April 1983 as the next step in the development of the Commission's proposals for adult training. The Commission will be formulating a strategy to put to the Government later this year. In addition, the development of the Open Tech programme was a major contribution towards the aim of opening up opportunities for adults to train and retrain during the course of their working lives.

5. Job creation measures

The UK Government's policy in relation to employment creation is set out in the Department of Employment's Memorandum (1981) "Employment Creation". This was prepared for the House of Commons Select Committee and deals with questions which the Committee has put to a number of Departments about Government actions to encourage the creation of jobs.

- Community Industry (CI) (U.K.-v.1)
- Community Programme (U.K.-v.2)

COMMUNITY INDUSTRY (CI)

Aim

To assist personally and socially disadvantaged unemployed young people to cope more effectively with life and society and prepare them for regular employment.

Legal basis

Employment and Training Act 1973

Contents

Scheme is open to 16-18 year olds, who undertake work of community benefit in return for a wage which is subject to National Insurance contributions and income tax and is broadly based on Local Authority manual workers' rates.

Financial resources

1983/84 Estimated expenditure £25m.

Institutional support

Manpower Services Commission oversee policy formation on behalf of Department of Employment. Scheme is administered by National Association of Youth Clubs.

Duration

Participants stay on the Scheme for up to one year.

Effects

Approx. 7000 young people are taking part at any one time.

COMMUNITY PROGRAMME

Aim

To provide temporary jobs, both full and part-time on schemes of community benefit for the long-term unemployed. Replaces previous Community Enterprise Programme.

Legal basis

Employment and Training Act 1973

Contents

Scheme is open to those aged 18-24 who have been unemployed for at least six out of the last nine months, and those aged 25 and over who have been out of work for at least 12 out of the last 15 months. Participants are paid the local going rate for the job (subject to a maximum set by MSC).

Financial resources

1983/84 Estimated expenditure £382m.

Institutional support

Scheme administered by the Manpower Services Commission on behalf of the Department of Employment.

Duration

Participants stay on schemes for a maximum of 52 weeks.

Effects

Numbers covered at the end of:

June 1982 (Community Enterprise Programme)	- 30,000
March 1983	- 39,000
1983/84	- 130,000 places available

6. Measures in favour of special categories of people

- Handicapped (U.K.-vi.1)
- Race relations in employment (U.K.-vi.2)

HANDICAPPED

The UK approach is to maintain the level of assistance to disabled people and if possible to improve it. The approach has three main strands.

First, to develop and improve the encouragement currently given to employers to employ disabled people, so as to help overcome the difficulties concerning (and in some cases prejudice against) the employment of disabled people. The main vehicle for this encouragement will continue to be the MSC's 'Fit for Work' campaign and the associated Award Scheme, but it is necessary to ensure that the Scheme remains flexible enough to meet changing needs and circumstances.

In July 1981 the MSC published proposals and recommendations on revised arrangements for the employment of disabled people to replace the Quota Scheme of 1944 Act. One of the recommendations was that a key feature under any future arrangements should be a Code of Practice for employers, covering policy and practice towards disabled people in employment. The Government after giving interested parties an opportunity to comment on the MSC's recommendations decided not to seek any change in the basic legislation for the time being but has asked the Commission to press ahead with drafting a Code of Practice, in consultation with interested parties. The Government has also asked the Commission, within the framework of existing legislation, to consider ways for improving the effectiveness of the present quota arrangements.

Secondly, the strategy for helping disabled people will be significantly influenced by the review, foreshadowed in last year's Plan, of the assistance they receive from the whole range of the programmes. The report of the review published in November 1982, reaffirmed the Government's and MSC's commitments to maintain, and if possible improve, the level of assistance for disabled people. The report recommended improved assistance through a regrouping of services, whereby Disablement Resettlement Officers would concentrate on the smaller number of disabled people whose employment needs are different from able-bodied people, and who would therefore benefit from specialist advice. Other disabled people would be dealt with by a strengthened general placing service.

Thirdly, sheltered employment. As at 31 March 1983, this programme provided a total of 14,410 jobs for severely disabled people, ie 8,631 employed in Remploy, 5,350 in local authority and voluntary body sheltered workshops and 429 in Sheltered Industrial Groups (SIGs), at a cost to the MSC and to Government of around £58m. Substantial additional costs are borne by the local authorities and voluntary bodies who are associated with the MSC in providing places.

Another aspect of services for disabled people is the provision of employment rehabilitation. In the Corporate Plan for 1980/1981, the MSC agreed on a rehabilitation programme with the capacity to help some 16,500 people each year, the great majority of them disabled. The report on the Review of Employment Rehabilitation, published by the MSC in July 1981, emphasised the need for different forms of rehabilitation for newly disabled people, for whom there is likely to be a need for an expert service of occupational assessment and rehabilitation, and for those at more general disadvantage in the labour market, for whom a more basic service of work preparation might well be more suitable.

To test these propositions, six developments in the field of rehabilitation are currently being carried out on an experimental basis in selected areas throughout the country. Two of the developments (Developments A and B) aim to improve the present system at Employment Rehabilitation Centres (ERCs) and four (Developments C-F) are concerned with providing different forms of rehabilitation according to clients' needs. An outline of the experimental aims of each is given below. When these experiments have been evaluated the MSC will be in a position to make firm plans for the development of employment rehabilitation services.

- Development A:- To replace the conventional case conference system within ERC's by officers directly responsible for individual clients' courses.
- Development B:- To identify, in conjunction with MSC Training Division, basic core skills and methods of instruction in them.
- Development C:- To establish a specialist service for recently disabled people, with staff concentrating on the development of assessment and rehabilitative techniques for this group.
- Development D:- To examine employment rehabilitation facilities at a National Health Service rehabilitation unit in order to learn their techniques and, if appropriate, offer an input from MSC to improve this aspect of the unit's work.
- Development E:- To replace placements in an ERC with placements in firms and other venues (such as sheltered employment, industrial and occupational therapy departments, voluntary bodies and special employment schemes) while maintaining a degree of counselling and support by MSC staff.
- Development F:- To encourage voluntary bodies with an interest in rehabilitation to mount projects under the Community Programme which, as well as providing temporary work, would have as an aim the rehabilitation of those recruited.

Meanwhile the MSC will continue to make resources available which would support a programme for some 16,000 people attending courses in its Employment Rehabilitation Centres and with voluntary organisations. From within those resources it will fund the developments, which in some cases will offer more specialist services at greater cost per head, but in others may allow a more cost-effective service to be offered to those for whom a different level of support is required. Overall, the objective will be to maintain the existing capacity of the programme and to improve its effectiveness, though there are currently indications of a reduced flow of applicants for courses, and subsequent placings in work or training are declining.

RACE RELATIONS IN EMPLOYMENT

The Race Relations Act 1976, which applies to the whole of Great Britain but not to Northern Ireland, makes it unlawful to discriminate on grounds of colour, race, nationality, ethnic or national origins. It makes it unlawful for an employer to discriminate in recruitment, in arrangements for promotion, training or transfer, in dismissal or treatment or in the provision of benefits, facilities or services. It does allow certain organisations to take positive action to limit access to training to certain groups of specific work in which they have been under-represented. It does not permit reverse discrimination or discriminatory advertisements.

- Persons suffering from discrimination in employment may have their case heard by an industrial tribunal. There are penalties for non-compliance with the law and compensation may be awarded to victims.
- The Department of Employment and the Manpower Services Commission provide employment and training services and special programmes to all regardless of race. The MSC has adopted a flexible approach in seeking to identify the special needs of ethnic minorities and to making programmes more responsive to their special needs to encourage them to use them to the full.
- The MSC meets the cost of the Industrial Language Training Service which provides facilities for improving the English language skills of workers, mainly Asians, to help them realise their full potential. It also incorporates work related language training in literacy and numeracy courses and in skills training courses.
- The Department of Employment employs 26 Race Relations Advisers who offer a free specialist service to employers giving help and guidance on the Race Relations Act and problems which can arise within a multi-racial workforce, eg cultural differences, communication, religious observance during working time, extended leave, etc.
- The Race Relations Act also established the Commission for Racial Equality which has a statutory duty to work towards the elimination of racial discrimination and to promote equality of opportunity between persons of different racial groups generally. It has discretion to assist individuals who consider they have been discriminated against and may conduct formal investigations for any purpose connected with its statutory duties.

7. Measures dealing with working time

Hours and conditions of work in the UK are in the main decided by negotiation between employers and workers. Certain legal restrictions on working time do exist, but these are related to health and safety matters on the protection of specific categories of workers such as children and women.

8. Placement measures

- Geographical mobility (U.K.-viii.1)

GEOGRAPHICAL MOBILITY

In the year ended 31 March 1983, 5,487 unemployed or redundant workers received financial assistance to attend employment interviews under the Job Release Scheme, and 4,879 were helped to move to a job in another area under the Employment Transfer Scheme (ETS). The cost was £5.4 million. By comparison, in 1981/82, 6,128 jobseekers received assistance under Job Search Scheme and 5,376 under ETS at a cost of £4.3 million. The increase in numbers under JSS and the decline in numbers under ETS was caused by more unemployed jobseekers seeking fewer vacancies.

The rates of grants and allowances available to applicants were increased from 1 April 1983 and the pay limits, above which applicants are excluded from the Job Search Scheme and ETS, were raised from £190 a week to £210 a week.

Chapter V: INFORMATION AND RESEARCH

1. Labour market research in the context of Government requirements is largely carried out through the Department of Employment's own research division and through research staff employed by the Manpower Services Commission (MSC).

2. Within the UK Department of Employment there is a (Economic and Social) division whose staff cover a variety of professional disciplines ie. economics, social science, psychology and statistics. Most of these are attached to administrative divisions and their main function is analysis and advice but this also involves development of labour market research. In addition the Department has recently established the "Employment Market Research Unit" in order to make better use of existing research, identify gaps and, to some extent, undertake its own research. The Manpower Services Commission has staff representing the same range of professional disciplines which are attached to the MSC's operational divisions for research purposes.

3. Because internal research is very demanding of staff time a considerable amount of research is contracted out to external researchers who have direct and relevant experience in the particular areas of concern. Much of the research is contracted to academic researchers, but a certain amount goes to independent research associations. The Department of Employment's research budget for 1983-84 is £500,000, and that of the MSC is £1,939,000.

4. The Office of Population Censuses and Surveys (OPCS), also a Government Department, also carries out a certain amount of work on labour market studies for both the Department of Employment and the MSC. These consist mainly of carrying out surveys of samples of the labour market, either on ad hoc or specific subjects, or on a regular basis as in the Labour Force Survey and the General Household Survey. Statistics from these surveys may be collated and analysed within the Department or the results of the surveys may be analysed and written up jointly by the Department and OPCS.

5. Research carried out by or for the Department of Employment is widely published or reported as a matter of policy. Some researchers, with the permission of the Department, publish their findings in books or academic journals, but the main source of publicity is through articles in the Department's 'Employment Gazette' and through a series of Department of Employment Research Papers, which are available on request from the Department.

6. The Government supported Social Science Research Council (SSRC) is also responsible for labour market research. The Council does not carry out research directly, but it does administer a number of research units sited at different universities, of which the two most relevant to labour market research are the Industrial Relations Research Unit at the University of Warwick and the Research Unit on Ethnic Relations at the University of Aston in Birmingham. Total expenditure on Research Units was £1,117,000 in the year ended 31 March 1982. In addition SSRC funds a number of Designated Research Centres of which the Centre for Labour Economics at the London School of Economics (also part-funded by the Department of Employment) and the Centre for Urban and Regional Development Studies at the University of Newcastle-upon-Tyne are most directly concerned with labour market research.

The SSRC also funds labour market research by developing research programmes in particular areas, funding individual researchers to carry out work on aspects of these programmes, and by making grants to individual researchers who have submitted proposals which the SSRC consider worthy of support. Finally, the SSRC also contributes to some of the research projects financed under the Department of Employment's own external research contracts placed with the Universities and other bodies.

7. In addition to the main institutional framework outlined above, a certain amount of privately funded research on labour markets is carried out both by academics and by research associations, and government is able to draw on the published results of such research where appropriate.

European Communities — Commission

**MISEP — Mutual Information System on Employment policies
UNITED KINGDOM — Basic Information Report**

Document

Luxembourg: Office for Official Publications of the European Communities

1985 — 68 pp. — 21.0 × 29.7 cm

DE, EN, FR

ISBN: 92-825-5578-X

Catalogue number: CB-44-85-185-EN-C

Price (excluding VAT) in Luxembourg:

ECU 7.74 BFR 350 IRL 5.60 UKL 4.50 USD 6

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