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SPECIAL EMPLOYMENT MEASURES IN 1980-81

Expansion of Youth Opportunities Programme

Measures announced today by Mr James Prior, Secretary of State for Employment, will make an important contribution in 1980-81 towards reducing unemployment and helping particularly hard-hit groups within a level of expenditure the country can afford.

The main changes in the special employment measures programme, which were announced in a House of Commons statement, include:

- Expansion of the Manpower Services Commission Youth Opportunities Programme - which provides work experience and training opportunities for unemployed young people - from 210,000 entrants in 1979-80 to between 250,000 and 260,000 in 1980-81.
- The Special Temporary Employment Programme for long-term unemployed adults is being maintained at 12,000 to 14,000 filled places concentrated in Special Development Areas, Development Areas and designated inner city areas.
- Community Industry for socially disadvantaged unemployed young people is being maintained at 6,000 filled places.
- The Temporary Short-Time Working Compensation Scheme continues on the present basis.

- Job Release continues for women aged 59, but for men the age of eligibility will revert from 62 to 64. Disabled men will be able to leave their jobs from the age of 60 as at present. The allowances are increased, details of which are given in the **statement**.

The Small Firms Employment Subsidy closes for applications on March 31, 1980.

The changes to the Job Release Scheme take effect from April 6, 1980.

NOTES TO EDITORS

1 Youth Opportunities Programme

The Youth Opportunities Programme (YOP) provides a range of opportunities for unemployed young people in training courses and work experience schemes. It includes:

- (a) courses to prepare young people for work, through employment induction courses, short industrial courses, and remedial and preparatory courses; and
- (b) work experience schemes of various kinds - on employers' premises, training workshops, community service and other special projects.

The weekly tax-free allowance is £23.50 for 16-18 year olds and £19.50 for 15 year olds.

2 Special Temporary Employment Programme

The Special Temporary Employment Programme (STEP) provides unemployed people aged 19 and over with full time temporary employment on projects which benefit the community. Priority is given to people aged 19 to 24 who have been unemployed for at least 6 months and to people aged 25 and over who have been unemployed for at least 12 months.

3 Community Industry

Community Industry is a permanent scheme run by the National Association of Youth Clubs to provide employment for disadvantaged young people. Under the special measures additional funds have been made available to provide extra places.

4 Job Release Scheme

The Job Release Scheme (JRS) enables people approaching statutory pensionable age to give up their jobs and make way for unemployed people and receive a weekly allowance.

The employer must undertake to recruit a replacement from the unemployed register, though not necessarily in exactly the same job. An employer releasing a disabled person will be required to recruit an unemployed disabled person as a replacement wherever possible.

5 Temporary Short Time Working Compensation Scheme (TSTWCS)

This scheme is designed to encourage employers to adopt short time working instead of making people redundant. Compensation is paid for a maximum of 6 months. Employers are reimbursed 75 per cent of normal wages paid to those staff working short-time in order to avoid redundancy plus the total of National Insurance contributions for the work-less days. The scheme is not intended to finance lay-offs; there must be at least one normal day's work after a period of seven consecutive days without work. The scheme is open to most sectors of commerce and industry in Great Britain.

6. Small Firms Employment Subsidy

The Small Firms Employment Subsidy (SFES) offered certain firms in the private sector with less than 200 employees a subsidy of £20 per week for up to 26 weeks for each extra full-time job over and above the number of jobs provided on a given base date. From July 1, 1979 the subsidy was limited to small manufacturing firms in the Special Development Areas and Development Areas only.

7. The text of a statement in the House of Commons is attached.

SPECIAL EMPLOYMENT MEASURES 1980-81:

STATEMENT

We announced on 12 June last year some changes in the programme of special employment measures for 1979-80 which were designed to focus them more sharply on areas and groups with special employment needs and to reduce public expenditure. The current programme of measures expires on 31 March and we have been reviewing the measures, again taking account of their cost-effectiveness, the particular groups most in need of assistance and what we can afford. We have reached the following decisions on the programme to operate in the year from 1 April 1980.

We have agreed to a proposal from the Manpower Services Commission to increase the size of the Youth Opportunities Programme from 210,000 entrants this year to 250-260,000 entrants in 1980-81, with the number of filled places increasing to 100-105,000. This expansion will provide further work experience and training opportunities for unemployed young people designed to improve their prospects of finding permanent jobs, and will enable the Commission to continue to operate under the programme their present under-takings for unemployed school-leavers and young people unemployed for 12 months or more.

We have also agreed to MSC proposals to maintain the Community Industry scheme for personally or socially disadvantaged unemployed young people at the current level of 6,000 filled places, and to maintain the

Special Temporary Employment Programme for long-term unemployed adults at 12-14,000 filled places, concentrated on Special Development Areas, Development Areas and designated inner city areas.

We have decided that the Small Firms Employment Subsidy, which is the least cost-effective of the special employment measures, should close for applications on 31 March 1980. The Temporary Short-Time Working Compensation Scheme, which re-imburses employers for up to six months for payments made to employees on short-time as an alternative to redundancy, will continue to operate throughout the country on the present basis.

We are extending for a further year the Job Release Scheme, which opens up vacancies for unemployed workers by enabling older workers to leave their jobs early. The scheme will continue to be open to women aged 59, but for men who are not disabled, the age of eligibility under the scheme will revert from 62 to 64. With this change it will not now be necessary to tax the allowance from April 1980 as the previous Government had planned; this also applies to all those who enter the scheme by 31 March this year. The allowance will, however, be increased to £45.50 for a married person with a dependent spouse with income of £10 or less a week and to £36 for all other applicants.

There will also be a special Job Release Scheme to enable disabled men to leave their jobs from the age of 60 as at present and to be replaced, wherever possible, by an unemployed disabled person. As the allowances for disabled men will be payable for more than one year they will be taxed, but will be further increased to maintain on average their value net of tax. The allowances will be £53 for a married man with a dependent spouse with income of £10 or less a week and £43 for other applicants.

All these changes to the Job Release Scheme will take effect from 6 April 1980 - the beginning of the next financial year.

We consider that this programme of measures will make an important contribution towards reducing unemployment and helping particularly hard-hit groups within a level of expenditure which we can afford. The impact of the measures on unemployment has increased during the present financial year and the new programme should maintain that increased impact over the year from 1 April.