



RESEARCH PAPER 98/111
7 DECEMBER 1998

Employment and Training Programmes for the Unemployed

The purpose of this Research Paper is to provide a short account of the main employment and training programmes which exist at present or are due to start within the next year. It also contains very brief notes on earlier programmes which have been tried since the war. The Paper updates Research Note 90/25 (*Training, Enterprise and Employment Schemes*) and Research Papers 93/40, 94/114, 95/51, 96/66 and 97/98 (*Employment and Training Schemes for the Unemployed*).

Tim Jarvis

BUSINESS & TRANSPORT SECTION

HOUSE OF COMMONS LIBRARY

Recent Library Research Papers include:

98/95	Widows' Benefit	30.10.98
98/96	Economic Indicators	02.11.98
98/97	Unemployment by Constituency - October 1998	11.11.98
98/98	Lottery awards: regional and constituency analysis (to October 1998)	12.11.98
98/99	Fairness at Work Cm 3968	17.11.98
99/100	Widows' Benefits (revised edition)	23.11.98
98/101	Economic Indicators	01.12.98
98/102	The <i>European Parliamentary Elections Bill</i> [Bill No 4 of 1998-9]	01.12.98
98/103	Lords Reform: The Legislative Role of the House of Lords	01.12.98
98/104	Lords Reform: background statistics (forthcoming)	
98/105	Lords Reform: Recent Developments	07.12.98
98/106	Local Government Finance in England	01.12.98
98/107	Chronic Fatigue Syndrome/ME	01.12.98
98/108	The <i>Road Traffic (NHS Charges) Bill</i> Bill 3 1998-9	03.12.98
98/109	Protocol 11 and the New European Court of Human Rights	03.12.98
98/110	Water Industry Bill Bill 1 [1998/99]	03.12.98

Research Papers are available as PDF files:

- *to members of the general public on the Parliamentary web site,
URL: <http://www.parliament.uk>*
- *within Parliament to users of the Parliamentary Intranet,
URL: <http://hcl1.hclibrary.parliament.uk>*

Library Research Papers are compiled for the benefit of Members of Parliament and their personal staff. Authors are available to discuss the contents of these papers with Members and their staff but cannot advise members of the general public.

Summary

The main purpose of this Research Paper is to provide a brief account of the many Government-funded training, employment and job search programmes which form part of the strategy to alleviate the problem of long-term unemployment. Part I summarises the programmes which are currently available or have been announced for future years. In each case, the original announcement of the programme is reproduced to set it in context; the key features of the programme are outlined and an indication of the size of the programme in terms of cost and numbers participating given. In many cases, a short reading list points to fuller accounts or evaluations of the programmes. Part II gives very brief details of earlier programmes tried since the war. Part III lists the main general sources used in compiling the paper.

It is not always easy to know what to include in a list of this kind. Some educational, enterprise or regional aid schemes could be said to be directed towards reducing unemployment. Similarly, elements of the social security system and the whole infrastructure of Job Centres and Training and Enterprise Councils have a role to play. The aim, however, has been to cover the more obvious mainstream programmes which have generally come under the auspices of the Department for Education and Employment (formerly the Department for Employment).

The programmes are not listed alphabetically, but are grouped very broadly into those which are mainly concerned with training (sections A-E); those which are concerned with finding jobs and work experience (sections F-R); and those miscellaneous measures very specifically aimed at encouraging people back into work (sections S-T). The boundaries with aspects of the social security system are difficult to draw. For example, a number of programmes can be mandatory for claimants of Jobseeker's Allowance and this has been indicated where relevant. However, this paper does not cover the current "in-work" benefit system, future changes to it, or changes to the benefit system designed to ensure people are better off financially in work rather than on benefits.

In terms of expenditure and scope, the Labour Government's New Deal for Young People is the largest national programme for unemployed people introduced in recent years. It has had an effect on a number of the existing programmes delivered by the Employment Service and partner organisations. Some of these have been discontinued while others have changed their eligibility criteria and been repackaged with new names. Previously, the creation of new programmes or the winding up of old ones has usually been announced either through a Departmental press release or a statement to Parliament. This year the Government gave new names to programmes such as Youth Training and Training for Work but there was no such formal announcement. Similarly, the DfEE's Departmental report gave the first public indication that a number of schemes were to be discontinued or reduced in scale. The knock on effect of the expansion of New Deal provision is likely to result in further changes over the coming year.

CONTENTS

I	Current Programmes	7
A.	Work Based Training for Adults	7
B.	Work Based Training for Young People	11
C.	Modern Apprenticeships	14
D.	National Traineeships	19
E.	Career Development Loans	23
F.	New Deal for Young People	26
G.	New Deal for the Long-Term Unemployed	33
H.	New Deal Pilots for Unemployed over 25	37
I.	Employment Zones	42
J.	New Deal for the Disabled	47
K.	New Deal for Lone Parents	50
L.	Jobplan Workshops	55
M.	Jobfinder Plus	57
N.	Job Clubs	58
O.	Programme Centres	61
P.	Travel to Interview	63
Q.	Job Interview Guarantee Scheme	65
R.	Work Trials	67
S.	Jobfinder's Grant	68
T.	National Insurance Contributions Holiday	70

II	Training and Employment Schemes since the War	71
III	Further Reading	82

I Current Programmes

A. Work Based Training for Adults

Work Based Training for Adults (WBTFa) replaced Training for Work (TfW) in April 1998 while retaining the main features of TfW. It is the main training programme for the adult unemployed outside the New Deal.

Announced: There was no specific announcement that WBTFa had replaced TfW. A Department for Education and Employment (DfEE) statistical press release updating the monthly figures for work based training noted the change of name stating, "this Notice also refers to work-based training for adults in preference to Training for Work. This initiative came into effect in April."¹ The 1998 DfEE Departmental Report explained the purpose of the new programme:

In 1998-9 TfW will be replaced by Work Based Training for Adults. The overall aim of the programme is to help long-term unemployed adults, particularly those at risk of exclusion from the job market, to secure and sustain employment or self-employment through an individually tailored combination of guidance, structured work experience, training and approved qualifications.

The programme is open to people aged 25-63 who have been unemployed for six months or more although some groups of people can join earlier. Those joining work based training for adults undergo an assessment and agree a training plan designed to help them obtain the skills needed to get a job. For those taking part, transitional support will be provided to improve the clients' prospects of sustained employment.

Within the overall aim, the key objective of Work Based Training for Adults is to improve the employability of long-term unemployed people, and their chances of sustained employment through:

- a combination of enhanced pre-vocational and occupational training;
- employed status training additional to that which the employer would normally provide;
- occupational training which significantly improves skills in demand in the labour market;
- promoting the use of lifelong learning facilities following Work Based Training for Adults.²

¹ DfEE Press Release 217/98, *Government supported training: work-based training for young people and for adults - England and Wales*, 30 April 1998

² DfEE, *Departmental Report*, April 1998, Cm 3910, p 109

The change of name was facilitated by secondary legislation which ensured that all previous legislation referring to Training for Work would subsequently apply to programmes under the heading Work Based Training for Adults.³

Work Based Training for Adults is still referred to as Training for Work in Scotland.

Started: April 1998

Eligibility: WBTFFA is aimed primarily at people aged 25-63 inclusive who have been unemployed and receiving benefit for 26 weeks or more. Claimants from the age of 18 were eligible for TfW. Those aged between 18 and 24 have ceased to be eligible for WBTFFA because they are now eligible for the New Deal for Young People after 26 weeks of unemployment. Existing trainees in the 18-24 age group will be able to complete their training in 1998-9. Certain groups (people with disabilities, people with literacy and numeracy needs, those who need English language training, people returning to the labour market after a period of more than two years, and victims of large-scale redundancies) can gain immediate entry. Ex regulars can count time in service towards the 26 week qualifying period and ex-offenders can count time in custody. Lone parents were eligible for TfW if they had been in receipt of benefit (usually Income Support) for more than 26 weeks. In a statement in April, Andrew Smith, Minister for Employment, announced that the six month period on benefit would not be a requirement for WBTFFA for those being referred from the New Deal for Lone Parents.⁴ This also applies to the eligibility of lone parents for other Employment Service programmes (see New Deal for Lone Parents Section K).

There is a greater emphasis on pre-vocational training (PVT) under WBTFFA than under TfW. Training pilots carried out under TfW have been expanded under the new programme after results from the pilots suggested they had been successful in assisting the most severely disadvantaged unemployed people.⁵ Priority is given to people who are in need of PVT and this is planned to account for 33% of all starts on WBTFFA in 1998/9 compared to only 17% of all TfW starts in 1997-8. In order to qualify as being in need of PVT trainees should have at least two of the following barriers to work:

- An erratic employment record resulting from inappropriate behaviour
- Low self esteem/poor self presentation to the extent that it represents a significant barrier to entering or sustaining employment
- Low basic levels of basic skills
- No significant experience of employment
- A continuous period of unemployment of two years or more, or have never worked
- A learning disability

³ The *Training for Work (Miscellaneous Provisions) (Amendment) Order* SI 1998/1426

⁴ HC Deb 28 April 1998 c 104W

⁵ "Government to extend successful job schemes", *Financial Times*, 30 July 1997

- A history of health problems or disability substantially affecting their employment prospects
- A history of offending
- A significant history of alcohol/drug misuse⁶

The next priority groups are people who have been referred from ES advisers and the New Deal for the Long-Term Unemployed, people with disabilities and those referred from Jobplan (see page Section L).⁷

Allowances: Participants receive an allowance equal to their previous benefit entitlement plus an additional £10 a week. In some cases, help with travel costs or the child care costs of lone parents is provided. Some participants (about 9%) have employed status and receive a wage from their employer.⁸

Administration: WBTFAs are run by Training and Enterprise Councils (TECs) in England and Wales. Local Enterprise Councils (LECs) in Scotland continue to run programmes under the TFW title. The training is provided by local "providers" who may be employers, voluntary organisations, further education colleges or specialist training organisations. The providers operate under contracts with TECs, who are, in turn, under contract to the Government Offices of the Regions. Participants are assessed before entering the programme and agree an individual training plan. This might specify training courses aimed at National Vocational Qualifications (NVQs), short work preparation courses or job specific training with a local employer. It would also specify the intended duration of the training.

Duration: The average length of stay on WBTFAs is planned to be 19 weeks for 1998-9. The estimated length of stay for TFW in 1997-8 was 13 weeks.⁹

Funding: Since April 1995, TECs have been funded wholly on the basis of starts and outcomes for TFW and there are no longer payment for training weeks.¹⁰ Outcomes are primarily jobs and qualifications. For 1998-9, about 25% of the contract value for WBTFAs is for starts, with the balance spread between pre-vocational progression payments and outcome payments.¹¹

Costs and Numbers: Statistics which give an indication of the scale, cost and success of WBTFAs and its predecessors can be found in the relevant Departmental Reports [see Part III 1-3 below]:

⁶ *TEC & CTE Licence and Contract Documents 1998-99*, paras D8.2, D28.1 and D30

⁷ *Ibid* para D30

⁸ DfEE, *Departmental Report 1998*, Table 3.20

⁹ *Ibid*

¹⁰ HC Deb 10 May 1995 c 461W

¹¹ *TEC & CTE Licence and Contract Documents 1998-99*, para D12

Work Based Training for Adults and Predecessors (England)						
	1993/94 Outturn	1994/95 Outturn	1995/96 Outturn	1996/97 Outturn	1997/98 estimated Outturn	1998/99 plans
Expenditure (£ million)	760	693	502	460	424	340
Number of Starts (000s)	292	276	214	215	200	120
Percentage of leavers gaining jobs		38	41	43	46	46
Percentage of leavers gaining NVQs		42	39	33	30	35

Note: as from 1998-9, WBTF is for people aged 25-63. Provision under its predecessors was for 18-63 and therefore the expenditure figure and number of starts for 1998-9 would be expected to be lower.

Further Reading

1. Nigel Meager, *Winners and Losers: Funding Issues for the Training of People with Special Needs*, Institute for Employment Studies, 1995
2. GHK Economics and Management, *Employed Status in Training for Work*, July 1995
3. Employment Department, *Review of NVQs within Training For Work*, January 1995
4. National Audit Office, 12 June 1996, *Department for Education and Employment: Financial Control of Payments made under the Training for Work and Youth Programmes in England*, HC 402, 1995-96
5. Department for Education and Employment, Research Studies RS32, *Evaluation of the refocused Training for Work programme*, by Neil Russell and Derek Mitchell, Research Surveys of Great Britain, 1996
6. Department for Education and Employment, Research Studies RS35, *Evaluation of the self-employment option within Training for Work*, by CRG, 1996
7. Department for Education and Employment, Research Studies RS13, *Evaluation of the Pre-Vocational Pilots: Case Studies*, by ECOTEC Research and Consulting, 1997

B. Work Based Training for Young People

This is the main programme for unemployed 16 and 17 year olds. It was known as Youth Training until April 1998. Youth Training replaced the Youth Training Scheme in 1990.

Announced: As with the change from Training for Work to Work Based Training for Adults, there was no formal announcement of the new name. Work Based Training for Young People (WBTFYP) is a generic term that covers National Traineeships, Modern Apprenticeships and other work based training.

Started: Under its current name from April 1998. Youth Training had been in operation, nationally, since May 1990.

Eligibility: Generally, WBTFYP is designed for young people aged over the minimum school leaving age, but under 18, who are not in full time education or a job. Young people cannot remain on any form of WBTFYP beyond their 25th birthday. Unemployed 16 and 17 year olds are guaranteed a place, as are those who have reached the age of 18 but have been unable to enter WBTFYP for the first time because of disability, ill health, pregnancy, custodial sentence, remand in custody, language difficulties or as a result of a care order. When the Government withdrew the right to Income Support from unemployed 16 and 17 year olds in September 1988, it complemented this "by the guarantee of a place on the Youth Training Scheme to every person under 18 who is not in full time education and who does not go into a job".¹² The disabled, single parents and a few other special groups aged under 18 still qualify for Income Support or Jobseeker's Allowance.

Young people usually access WBTFYP by registering with the Careers Service. Those in the guarantee group are entitled to assessment and up to two offers of a training opportunity on registering with the Careers Service for the first time. Provided all other eligibility conditions are met, young people may progress to WBTFYP from the Gateway stage of the New Deal.

Allowances: Trainees qualify for an allowance of £30 a week if they are 16 and £35 a week if they are 17 or more. The rate for 16 year olds was increased from £29.50 a week in April 1997.¹³ This was the first increase since July 1988. The rate for 17 year olds has been £35 since April 1986. TECs and providers can top up these allowances if they wish and help with travel, lodging or child care costs, but any such payments are entirely discretionary. Similarly, certain trainees may be eligible to have their allowance topped up by Income Support which will also have the effect of ensuring eligibility to passported benefits such as Housing Benefit. The DfEE estimate that 67% of trainees were employed status in 1997-8

¹² DHSS Press Notice on the *Social Security Bill 1987/8*, 23 October 1987

¹³ DfEE Departmental Report, March 1997, Cm 3610, para 1.84

and therefore received a wage from their employer.¹⁴ This includes nearly all those on Modern Apprenticeships.

Administration: WBTFYP is run by TECs under contractual arrangements similar to those applying to WBTFAs. TECs enter into contracts with the Government Offices of the Regions. Funding is now based on a combination of starts (15-25%), on-programme payments and trainee weeks (45-55%), and outcomes (25-35%).¹⁵ These funding percentages are the same as for YT in 1997-8. TECs enter into contracts with local providers, such as employers and colleges, who provide the actual training. Trainees draw up individual training plans. The aim is that they should work towards an approved qualification at or above NVQ level 2. Since April 1995, all funding of Youth Training has been through Youth Credits. A Youth Credit is a document, card or equivalent entity issued to a young person which is redeemable for Modern Apprenticeships, National Traineeships or other training for young people. Young people are also issued with a Learning Card by the Careers Service in their final year of compulsory education. This should explain their entitlement to post-16 education and training.

The Future: The future of training for young people remains unclear. The Labour Party manifesto for the 1997 General Election contained a commitment to replace the "failed Youth Training scheme".¹⁶ In May 1997, the new Government announced that a new programme, Target 2000, would "replace the Youth Training programme to ensure that all young people achieve intermediate level qualifications with core skills by the year 2000".¹⁷ This became the Investing in Young People strategy announced in December 1997.¹⁸ This emphasises the importance of National Traineeships, introduced by the Conservative Government and to be phased in from September 1997, and Modern Apprenticeships. WBTFYP appears to have become a generic term encompassing all these initiatives but it is unclear what is likely to happen to what is referred to by the DfEE as "other work-based training". This would previously have been entitled Youth Training and still accounts for over 50% of those on WBTFYP.¹⁹

Costs and Numbers: Statistics that give an indication of the scale, cost and success of WBTFYP can be found in the relevant Departmental Reports [See Part III, 1-3, below]:

¹⁴ DfEE, *Departmental Report 1998*, p 72

¹⁵ *Ibid* p 71

¹⁶ Labour Party Manifesto for the 1997 General Election, *New Labour: Because Britain deserves better*, April 1997, p 19

¹⁷ DfEE Background Note to the Queens Speech, *Education: Raising Standards*, 14 May 1997

¹⁸ DfEE, *Investing in Young People: a strategy for the education and training of 16-18 year olds*, December 1997

¹⁹ DfEE Press Release, *Government supported training: work based training for young people and adults - England and Wales*, 28 August 1998

Work-based training for young people and its predecessors (England)							
	1992/93 Outturn	1993/94 Outturn	1994/95* Outturn	1995/96* Outturn	1996/97* Outturn	1997/98** Forecast	1998/99** Plans
Expenditure (£ million)	617	640	647	635	734	731	741
First time entrants (000s)	175	162	179	215	249	209	192
Percentage of leavers gaining a qualification	50	67	62	54	64	67	74

* includes Modern Apprenticeships

** includes Modern Apprenticeships and National Traineeships.

Further Reading

1. Dearing Report, *Review of Qualifications for 16-19 Year Olds, Section 5, Youth Training and Modern Apprenticeships*, March 1996
2. Labour Market Trends, "Employers' contributions to youth training initiatives", October 1997
3. DfEE, *Investing in young people: a strategy for the education and training of 16-18 year olds*, December 1997

C. Modern Apprenticeships

Modern Apprenticeships are available under Work Based Training for Young People and are designed to qualify young people to NVQ level 3. From April 1996, Accelerated Modern Apprenticeships (AMAs) have been merged with Modern Apprenticeships.

Announced: 30 November 1993. In a statement released at the time of the Budget, David Hunt, then Secretary of State for Employment, said:

We must tap the potential of our young people to reach higher levels of achievement and skills if we are to beat our competitors and stay ahead. That is why I plan a new approach to apprenticeship, offering young people workbased training leading to technician, supervisor and similar level qualifications - in other words, modern apprenticeships. We and the Training and Enterprise Councils will be working closely with employers and sector training bodies to prepare for a major increase in the number of apprenticeships available. We are aiming to increase to over 40,000 the number of young people reaching NVQ Level 3 through training in England - roughly tripling the current number.

Young people will also be offered more and better careers guidance to help them choose the best options for gaining qualifications.

We will be running the apprenticeships using the new and successful arrangements for Youth Credits. Credits will be available nationally to all 16 and 17 year old school leavers from 1995/6, a year earlier than we had originally planned.²⁰

Started: Prototypes started running in 40 TEC areas in the following sectors from September 1994: agriculture, business administration, chemicals, child care, electrical installation, engineering manufacturing, engineering construction, information technology, marine engineering, Merchant Navy, polymers, retail, steel and travel service.²¹ The scheme has been available nationwide since September 1995, and Modern Apprenticeship Training Frameworks had been approved in 75 sectors by January 1998.²²

Details: To implement Modern Apprenticeships, the Industry Training Organisation for the sector concerned works in conjunction with local TECs and often representatives from the industry. The aim is to develop a framework incorporating all the skills, knowledge and understanding required to achieve the qualifications for a Modern

²⁰ Department of Employment Press Release, *David Hunt announces new modern apprenticeship scheme to boost Britain's Skills*, 30 November 1993

²¹ Department of Employment Press Release, *Modern Apprenticeships - It's full speed ahead, says David Hunt*, 27 April 1994, Department of Employment Press Release, *"Modern Apprenticeships will be a success story with your help, Ann Widdecombe tells CBI*, 9 May 1994

²² DfEE, *Departmental Report 1998*, p 71

Apprenticeship. These include level 3 NVQs and core skills. The apprenticeships are based on ability and are not time-served. These frameworks are approved by a joint Modern Apprenticeship group comprising representatives from the DfEE, the National Council of Industrial Training Organisations and the Training and Enterprise National Council. Frameworks have been approved in the following sectors:

- 1.Accountancy
- 2.Agriculture and Garden Machinery
- 3.Agriculture and Commercial Horticulture
- 4.Aviation
- 5.Amenity Horticulture
- 6.Animal Care
- 7.Arts and Entertainment
- 8.Banking Services
- 9.Broadcasting
- 10.Builders Merchants
- 11.Bus and Coach
- 12.Business Administration
- 13.Carpet Manufacture
- 14.Ceramics and Building Products
- 15.Chemicals Industry
- 16.Cleaning and Support Services
- 17.Clothing
- 18.Construction
- 19.Craft Baking
- 20.Customer Service
- 21.Early Years Care and Education
- 22.Electrical Installation Engineering
- 23.Electricity Supply Industry
- 24.Electronic Systems Service
- 25.Emergency Fire Services
- 26.Engineering Construction
- 27.Engineering Manufacture
- 28.Environmental Conservation
- 29.Fibreboard
- 30.Floristry
- 31.Food and Drink
- 32.Furniture Manufacture
- 33.Gas Industry
- 34.Glass
- 35.Guidance
- 36.Hairdressing
- 37.Health and Social Care
- 38.Heating, Ventilating, Air Conditioning and Refrigeration Industry
- 39.Horse Industry
- 40.Hospitality

- 41.Housing
- 42.Information and Library Services
- 43.Information Technology
- 44.Insurance
- 45.International Trade
- 46.Knitting, Lace and Narrow Fabrics
- 47.Management
- 48.Manmade Fibres
- 49.Marine Engineering
- 50.Marine Industry
- 51.Meat Sector
- 52.Merchant Navy
- 53.Motor Industry
- 54.Museums, Gallery and Heritage Sector
- 55.Newspapers
- 56.Operating Department Practice
- 57.Paper and Board Manufacture
- 58.Personnel
- 59.Photography and Photographic Processing
- 60.Physiological Measurement Technicians
- 61.Plumbing
- 62.Polymers
- 63.Printing
- 64.Rail
- 65.Residential Estate Agency
- 66.Retailing
- 67.Road Haulage and Distribution
- 68.Sea Fish
- 69.Security
- 70.Signmaking
- 71.Sports and Recreation
- 72.Steel Industry
- 73.Surface Coatings
- 74.Telecommunications
- 75.Timber Trade (Wood Machining)
- 76.Travel Services
- 77.Warehousing
- 78.Water
- 79.Wool Textiles²³

²³ DfEE Internet site, *Modern Apprenticeships*, <http://www.open.gov.uk/dfee/modapp/maframe.htm>
downloaded 4 September 1998

Young people gain access to Modern Apprenticeships through Youth Credits. The credits have a monetary value and are redeemed by the employer or training provider. The scheme requires the employer, the apprentice and the TEC to sign a training agreement, which sets out the responsibilities and commitments of each party.

Eligibility: The eligibility criteria for Modern Apprenticeships are the same as those for all WBTFYP. Modern Apprenticeships are aimed primarily at developing technician, supervisory and craft level skills among 16 to 18 year olds. The second priority after this age group is those aged 19 and over. Although, those in this age group will also be able to access other training the guidance to TECs notes the "high level Training offered by Modern Apprenticeships is particularly beneficial to this age group. As a result there has been a large increase in the number of planned 19+ Modern Apprenticeship Entrants".²⁴ Graduates have not been eligible for Modern Apprenticeships from April 1998. This was in response to allegations that city companies were obtaining the funding to train their graduate intake.²⁵

Allowances: As for WBTFYP, the minimum training allowance is £30 a week at 16 years of age and £35 at 17 or over. However, most employers pay their apprentices considerably more than this. An early survey of the prototypes found the average weekly salary was £76, the highest £165 and the lowest £29.50.²⁶

Costs and Numbers: The Government are planning for 72,500 young people to enter Modern Apprenticeships in 1998-9 and this is 10,000 more than planned for 1997/8. The extra places cost an additional £10 million and were announced in December 1997 as part of the Investing in Young People strategy.²⁷ The increase is intended to be in the 19 and over age group.²⁸ Government figures do not separate expenditure on modern apprenticeships from that on WBTFYP in general. [See Section B above].

The Future: The Labour Government supports Modern Apprenticeships and will continue with the scheme:

Mr. Sanders: To ask the Secretary of State for Education and Employment if he will make a statement about the future of the modern apprenticeship scheme.

Dr. Howells: We have no doubt that the training of young people in the workplace to meet the needs of employment has a vital and increasing role to play in sustaining competitiveness to 2000 and beyond. Modern Apprenticeships are a key component of this and are making a vital contribution to raising skills. Evaluation studies have consistently shown that Modern Apprenticeships are highly popular, of high quality, and meeting the expectations of both employers and young people.

²⁴ *TEC & CTE Licence and Contract Documents 1998-99*, para C3.1.2

²⁵ "Government acts on graduate training row", *Financial Times*, 27 January 1998

²⁶ "Modern Apprenticeships: the experience so far", *Employment Gazette*, June 1995

²⁷ DfEE Press Release, *Blunkett unveils target plan to boost skills*, 9 December 1997

²⁸ *TEC & CTE Licence and Contract Documents 1998-99*, para C3.3.1

We want to sustain and build on this success and intend to develop Modern Apprenticeships in every sector where there is a demand. There are currently 70 sector frameworks approved with more expected in the next 12 months. Since Modern Apprenticeships began, over 100,000 young people have started training. There is every sign that employers' demand for Modern Apprentices will continue to grow and we and Training and Enterprise Councils will work together on how best to respond to that demand.²⁹

Further Reading

1. *The Evaluation of Modern Apprenticeship Prototypes*, final report by Ernst and Young with apprentice research carried out by the University of Sheffield, November 1995
2. "Modern Apprenticeships: further lessons from the prototypes", *Labour Market Trends*, February 1996
3. *TEC Approaches to Engaging Small and Medium Enterprises in Modern Apprenticeships*, DfEE Quality and Performance Improvement Division, QPID Study Report No.48, 1996
4. *Modern Apprenticeships*, Incomes Data Services IDS Study 620, February 1997
5. Lesley Saunders, *Modern Apprenticeships: survey of young people*, National Foundation for Educational Research, DfEE Research Studies RS51, 1997
6. Chris Hasluck et al, *Modern Apprenticeships: a survey of employers*, Institute for Employment Research, DfEE Research Studies RS53, 1997

²⁹ HC Deb 11 July 1997 c 616W

D. National Traineeships

These are intended to become the main work-based route to further qualifications at NVQ level 2. They are designed by employers in the relevant industry sectors and are intended to provide a stepping stone to Modern Apprenticeships.

Announced: 27 March 1996, by Gillian Shephard, then Secretary of State for Education and Employment, in her response to Sir Ron Dearing's *Review of Qualifications for 16-19 Year Olds*:

We welcome the proposals for the reform and strengthening of training for young people in England and Wales by the creation of a new system of national traineeships, following the successful introduction of modern apprenticeships. There will also be development of training arrangements for those young people who reach the age of 16 not yet ready for, or clear about their next steps in learning throughout life.

My Department will shortly consult employers, the education sector and other interested parties on the detail of the new arrangements, which we intend to implement on a phased basis from September 1997. My right hon. Friend the Secretary of State for Wales will consult as appropriate for Wales.³⁰

Started National Traineeships were introduced from September 1997 and 25 sector frameworks had been agreed by December 1997.³¹

Details: The main features were laid out in the previous Government's White Paper on education and training:

- a focus on achievement, aiming for NVQ Level 2 and incorporating all 6 key skills as part of the learning programme, with opportunities for progression to Modern Apprenticeships at NVQ Level 3

support from industry bodies in defining the application of National Traineeships in their particular sectors, and the full involvement of individual employers in the training process through a written agreement with the trainee, employed status wherever possible and substantial periods of experience in the workplace.³²

The main differences from Youth Training are the focus on NVQ and key skills at level 2; the involvement of sectors of industry and commerce in the design of training; options for additional components which will help the young person

³⁰ HC Deb 27 March 1996 c 1032

³¹ DfEE *Departmental Report 1998*, p 71

³² White Paper, *Learning to Compete: Education and Training for 14-19 Year Olds*, December 1996, Cm 3486, para 4.24

progress in the sector; and the requirement for individual employers to be directly involved in the training delivery.³³

The six key skills are:

- Communication
- Application of number
- Information technology
- Improving own learning and performance
- Working with others
- Problem solving³⁴

Training frameworks have been approved in the following sectors:

Accountancy
Agricultural and Garden Machinery
Agriculture and Commercial Horticulture
Amenity Horticulture
Animal Care
Building Societies
Business Administration
Ceramic and Building Products
Clothing
Construction
Craft Bakers
Engineering and Marine
Food and Drink Manufacturing
Glass
Hairdressing
Health and Social Care
Heating and Ventilation
Horses
Hospitality
Information Technology
Meat
Motor Trade
Photography / Photographic Processing
Plumbing
Polymers
Residential Estate Agency
Retail
Road Haulage

³³ *TEC & CCTE Planning Prospectus: Requirements & Guidance 1997-98*, para C15.2

³⁴ White Paper. *Learning to Compete: Education and Training for 14-19 year olds*, Cm 3486, December 1996, p 26

Security
Sports and Recreation
Steel
Telecommunications
Travel Agents
Water

Training frameworks are under development in the following sectors:

Arts and Entertainment
Aviation
Banking
Broadcast, Film and Video
Builders Merchants
Bus and Coach
Cleaning and Support Services
Customer Service
Domestic Energy Insulation
Electrical and Electronic Servicing
Engineering Construction
Environment
Fencing
Floristry
Furniture
Gas
Health and Beauty Therapy
Information and Library Services
Insulation
Insurance
Leather
Man-made Fibres
Marine
Museums
Paper
Petroleum Refining and Distribution
Rail
Sea Fish Training
Surface Coatings
Textiles
Timber Trade
Warehousing³⁵

³⁵ list of frameworks approved and developed obtained from DfEE Internet site section on National Traineeships 10 September 1998: <http://www.open.gov.uk/ntnet3.htm>

Cost and Numbers: Figures are included in the table for WBTFYP but are not given separately [See Section B above]. The Government anticipates 125,000 young people will enter National Traineeships, and other training at NVQ level 2, in 1998/9.³⁶

The Future: Shortly after the 1997 General Election, Andrew Smith, Employment Minister, confirmed that National Traineeships remained part of the Government's plans:

Our view is that National Traineeships, which focus chiefly on 16 and 17-year-olds and build on the design principles of the successful modern apprenticeships, will play an important part in achieving the objectives of Target 2000. It is vital that we improve substantially on current levels of participation and achievement to NVQ level 2 post 16 if we are to ensure that young people are qualified for the jobs of the next century. Target 2000 provides the broad policy framework for that, and the work based route has a vital role to play.³⁷

Target 2000 has become Investing in Young People and the strategy paper announcing this initiative strengthened the commitment to National Traineeships:

The quality of many training programmes has been uneven, and unacceptable numbers of young people have failed to benefit from these opportunities. National Traineeships, introduced from September 1997, have been designed by industry to national standards. They incorporate key skills (principally communication, use of number and IT), and require in all cases a high level of employer involvement underpinned by a formal training agreement. The first 21 frameworks have already been approved. Starts on National Traineeships will build up gradually over the next few months with more substantial growth planned for 1998-99. Over the next 18 months we expect a further 40 sectors to put forward frameworks for approval.³⁸

³⁶ HC Deb 20 March 1998 c 403W

³⁷ HC Deb 10 July 1997 c 559W

³⁸ DfEE, *Investing in Young People: a strategy for the education and training of 16-18 year olds*, December 1997

E. Career Development Loans

Initially interest-free loans for people who want to take up job-related training and finance it themselves.

Announced: National extension announced 20 July 1988 by then Secretary of State, Norman Fowler:

Career Development Loans

Mr. Bowis: To ask the Secretary of State for Employment whether he intends to make career development loans available nationally; and if he will make a statement.

Mr. Fowler: From today career development loans are available throughout Great Britain. We have piloted career development loans from April 1986 in four areas. Evaluation has shown that they are a very useful addition to the training infrastructure of the country. During the pilot a total of almost £1.4 million pounds has been lent to more than 650 people to undertake a wide range of vocational training. Career development loans will continue to be run in partnership with the three banks which participated in the pilot, Barclays, the Clydesdale and the Co-operative. Anyone aged 18 or over who lives or intends to train in Great Britain will be able to apply. The Government provide an incentive to borrowers by paying the interest on the loan during the period of training and for up to three months afterwards and guarantee a proportion of the loans to make it easier for the banks to consider lending for vocational training. The costs of the expanded scheme will be met from within the existing resources of the Department.³⁹

Started: On a pilot basis in April 1986. Nationally, in July 1988.

Eligibility: Applicants must be aged 18 or over; not in receipt of a mandatory award for education or training; and intending to use the training to work in the United Kingdom or elsewhere in the European Community. In addition, the course must be vocational and designed to help the applicant to get a job.

Terms: The basic terms for a Career Development Loan (CDL) are included in the application pack which is available on the Internet.⁴⁰ Applicants must apply to a participating bank - the Clydesdale, Barclays, the Co-operative, or the Royal Bank of Scotland - before the start of the course. There is a minimum loan of £300 and a maximum of £8,000. All loans are "subject to status". Loans generally cover up to 80% of course fees, plus the cost of books and materials for courses lasting up to two years. Since 1 September

³⁹ HC Deb 20 July 1988 c 620W

⁴⁰ <http://www.lifelonglearning.co.uk/cdl/>

1996, CDLs have also been available for three year sandwich courses involving two years' tuition and one year's practical work experience.⁴¹ Where applicants have been out of work for at least three months before applying, and the local TEC or LEC has endorsed their application, the loans may cover 100% of course fees. No loan repayments are required during the training period and for up to one month afterwards. Those who are registered unemployed and claiming benefit when repayments should start can now defer repayments for up to eighteen months. This provision has been available nationally from April 1998 and follows a pilot period of the new rules in five areas from 1995, known as Career Development Plus. During the deferred repayment period, the DfEE pays the interest on the loan. After that the borrower must repay on terms agreed with the bank.⁴²

Cost and Numbers: The DfEE Departmental Report published in April 1998 contains expenditure figures for CDLs and Small Firms Training Loans. Small Firms Training Loans were launched in June 1994 to help firms with up to 50 employees to improve the skills of their employees. The loans range from £500 to £125,000, and are run on the same lines as Career Development Loans.

Career Development Loans and Small Firms Training Loans in England (£ million)			
1995-6 outturn	1996-7 outturn	1997-8 estimated outturn	1998-9 plans
12.5	12.9	14.3	13.2

Figures for the number of approved loan applications are given in the Annual Report on Career Development Loans, the most recent of which is for 1996/7:⁴³

Career Development Loan Take- Up						
1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97
8,054	10,432	10,230	12,159	15,169	13,287	12,189

Surveys to October 1997 showed that:

- 73% of trainees completed their course
- 73% had obtained jobs immediately on completing training; and
- 76% of trainees felt that taking out a CDL had improved their career prospects⁴⁴

⁴¹ DfEE Press Release, 28 June 1996, *Career Development Loans reach out to more students*

⁴² DfEE Press Release, 11 April 1996, "Over £250 million spent on training with career development loans - says James Paice"

⁴³ DfEE, *Career Development Loans Annual Report 1996-7*

⁴⁴ DfEE, *Departmental Report 1998*, p 77

Since CDLs were introduced, £298 million has been advanced to a total of 95,000 applicants.⁴⁵ In 1996-7, the average loan amount was £3,635 and the total value of all the loans provided was £44,302,083.⁴⁶

Further Reading

1. DfEE, *Qualitative evaluation of the CDL plus pilot scheme*, Research Report 38, February 1998

⁴⁵ Ibid

⁴⁶ DfEE, *Career Development Loans Annual Report 1996-7*, p 9

F. New Deal for Young People

This is the leading element of the Labour Government's "Welfare to Work" programme. It offers all young people aged 18-24 who have been unemployed for six months or more four options: a subsidised job, a place on the Environment Task Force, a place with a voluntary sector employer, or full-time education or training. Those who refuse a place may be disqualified from benefit.

Announced: The programme was foreshadowed in Labour Party policy documents before the 1997 General Election. One of the "five election pledges" highlighted in Labour's election manifesto was to "get 250,000 under-25 year-olds off benefit and into work by using money from a windfall levy on the privatised utilities". The formal announcement, however, came in Gordon Brown's first Budget on 2 July 1997:

In the new economy, in which capital, inventions and even raw materials are mobile, Britain has only one truly national resource: the talent and potential of its people. Yet in Britain today, one in five of working-age households have no one earning a wage. In place of welfare, there should be work. So today this Budget is taking the first steps to create the new welfare state for the 21st century.

The welfare state was and remains a great British achievement. It was set up to provide security for all, and opportunity for all, goals that are as relevant today as in 1945. But for millions out of work or suffering poverty in work, the welfare state today denies rather than provides opportunity. So it is time for the welfare state to put opportunity back into people's hands.

First, everyone in need of work should have the opportunity to work. Secondly, we must ensure that work pays. Thirdly, everyone who seeks to advance through employment and education must be given the means to advance. So we will create a new ladder of opportunity that will allow the many, by their own efforts, to benefit from opportunities once open only to a few.

Starting from next year, every young person aged 18 to 25 who is unemployed for more than six months will be offered a first step on the employment ladder. Tomorrow, my right hon. Friend the Secretary of State for Education and Employment will detail the four options, all involving training leading to qualifications - a job with an employer; work with a voluntary organisation; work on the environmental task force; and, for those without basic qualifications, the chance of full-time education or training.

With those new opportunities for young people come new responsibilities. There will be no fifth option--to stay at home on full benefit. So when they sign on for benefit, they will be signing up for work. Benefits will be cut if young people refuse to take up the opportunities. This new deal for the young is comprehensive, rich in opportunity, linked to the development of skills and has already attracted the support of some of Britain's leading companies.

I urge every business to play its part in this national crusade to equip this country for the future by taking on young unemployed men and women. I appeal to every voluntary organisation to make a further contribution to the work that they do in the community by taking on a young person. I will make it possible for every Member of the House to act as an ambassador for this venture, encouraging young people in their constituencies, consulting local businesses and bringing them together to play their part in this new deal for young people.⁴⁷

Started: In 12 "pathfinder areas" on 5 January 1998 and nationally since 6 April 1998. The pathfinder areas are: Black Country, Cornwall, Cumbria, Eastbourne, Lambeth, Newcastle, Sheffield and Rotherham, South Derbyshire, Stevenage, Tayside, West Wales and Swansea, Wirral.

Eligibility: The programme covers all young people aged 18-24 who have been claiming Jobseeker's Allowance (JSA) for six months or more.⁴⁸ The stock of 18-24 year olds who had already been unemployed for six months when the New Deal was introduced entered the Gateway when they reached their next Restart interview. These take place every six months. Young people who reached six months of unemployment after the introduction of the New Deal entered the programme immediately.⁴⁹ Certain groups are able to enter before six months if they wish. These include: people with disabilities; returners to the labour market; ex-regulars in HM Forces; ex-offenders; lone parents; people whose first language is not English, Welsh or Gaelic; those with reading, writing or numeracy problems; those who have become unemployed as a result of large scale redundancies and young people leaving local authority care. Employment Service personal advisers have discretion to admit others early if they consider them to be at a particular disadvantage in their search for work because of problems such as drug dependency.⁵⁰ Homeless people were added to the list of those eligible to join the New Deal early in July 1998.⁵¹

Details: Private sector organisations are leading the delivery of the New Deal in ten locations: Hackney and City (Reed Personnel Services), South Humber (Action for Employment Ltd), Colchester (SEETEC Business Technology Centre Ltd), Solihull (Capita Group plc), Leicestershire (Fernly Business Services), Tyneside North (MARI Group Ltd), Exeter and East Devon (Action for Employment Ltd), Bridgend and Glamorgan Valleys (Manpower Plc), West Lancashire (TP Training Ltd) and Forth Valley (Triage Central Ltd⁵²).⁵³ In all other areas, the local Employment Service leads.

⁴⁷ HC Deb 2 July 1997 cc 308-309

⁴⁸ DfEE Press Release, *Blunkett's call to the nation to join his crusade for jobs*, 3 July 1997

⁴⁹ DfEE, *Design of the New Deal for 18-24 year olds*, October 1997, p 5 (the "Design Document")

⁵⁰ Design Document, pp 5-6

⁵¹ DfEE Press Release, *More help for homeless under New Deal - Smith*, 7 July 1998

⁵² A new company comprising British Trust for Conservation Volunteers (BTCV) Enterprises Ltd; Action Environment Ltd; Ness Training Ltd and Stirling Business Links

Full details of the scheme were revealed in the Design Document published in October 1997, although many of its components were already clear. The programme begins with an intensive period of advice, counselling and guidance - the "Gateway" to the New Deal - organised by the Employment Service and delivered by local partners or the Employment Service itself. During this period the Employment Service aims to place the most job ready young people in unsubsidised jobs. Planning assumptions for the New Deal are based on 40% of young people on the Gateway finding work without the help of one of the subsequent options.⁵⁴ If participants are still unemployed after the Gateway, they will be offered one of four options:

1. The Employment Option: a job with an employer, including at least one day a week (or its equivalent) in education or training designed to reach an approved qualification. The employer will receive £60 a week for up to 26 weeks for those working at least 30 hours a week.⁵⁵ A subsidy of £40 per week for up to 26 weeks is payable for part-time jobs offering between 24 and 30 hours per week. In his Pre-Budget Report on 25 November 1997, Gordon Brown announced that employers who take on a new employee under the New Deal would, if they chose, be able to receive up to three-quarters of their employer subsidy up-front to pay for immediate training to meet skills shortages. The new choice would be brought in "as soon as possible".⁵⁶ These up-front payments are now available on a pilot basis in the original New Deal pilot areas from July 1998.⁵⁷ In addition to the subsidy, employers receive £750 per person to finance the associated training.⁵⁸ The public sector will be able to recruit young people under the scheme but it is expected that "the large majority of places on the New Deal Employment option will be in the private sector, reflecting the balance in the workforce as a whole".⁵⁹ Participating employers have to sign an "Employer Agreement" in which they agree not to make anyone redundant in order to take on the New Deal employee, to pay the young person at least the amount of the subsidy and preferably the rate for the job, and to aim to retain them in the job once the six month subsidy comes to an end.
- 1(a) Employment Option - Self Employment: this was launched on 17 July 1998 as an addition to the original proposals. Details of how it would operate were provided in the press release announcing the launch.⁶⁰ Young people expressing an interest in self-employment during the Gateway will be offered initial support and advice

⁵³ DfEE Press Release, *Private sector involvement in New Deal to be extended*, 3 November 1997, DfEE Press Release, *Private sector to deliver New Deal in five areas*, 26 February 1998, and DfEE Press Release, *Private sector to deliver New Deal in Forth Valley and Exeter and East Devon*, 26 March 1998

⁵⁴ HC Deb 22 January 1998 c 683W

⁵⁵ Design Document p 14

⁵⁶ HM Treasury press release, *Chancellor sets out plans for jobs, training and childcare*, 25 November 1997

⁵⁷ Unemployment Unit's, *Working Brief*, July 1998, p 5

⁵⁸ *Equipping Britain for our long-term-future: Financial statement and Budget Report*, HC 85, July 1997, p 31

⁵⁹ Design Document, p17

⁶⁰ DfEE Press Release, *Starting your own business with the New Deal - Smith*, 17 July 1998

from a New Deal Personal Adviser at the Employment Service. They will then receive a basic awareness-raising session about self-employment run by an appropriate training organisation. They will also be offered one-to-one counselling or a short course to provide information about setting up a business. If they are still interested at the end of the Gateway they will go on to the self-employment programme. This involves supported training for up to 26 weeks during which time the participant receives an allowance (£400 paid over 26 weeks) and continues with part-time training towards an appropriate qualification. During this period, a business adviser will be identified to offer support to the participant and this can continue for two years after the participant has started trading independently.

2. The Environment Task Force Option: a job for six months with an Environment Task Force provider which will include day release education or training towards approved qualifications.⁶¹ Work done on the Environment Task Force option “will contribute to the improvement of the local, regional or global environment and be compatible with sustainable development”.⁶² Projects can include dealing with housing, forest and park management and reclamation of derelict or waste land. They may also be designed to help meet the Government's targets for heat conservation and efficiency.⁶³ Participants receive an allowance equivalent to benefit and remain entitled to passported benefits. In addition, they will receive a grant of up to £400 paid in instalments⁶⁴ and help with travel costs above £4 a week.⁶⁵
3. The Voluntary Sector Option: a job for six months with a voluntary sector employer, again including day release education or training towards an approved qualification.⁶⁶ As with the Task Force option, participants receive an allowance equivalent to benefit and remain entitled to passported benefits. In addition, they receive a grant of up to £400 paid in instalments and help with travel costs above £4 a week.⁶⁷ There will be a particular emphasis on voluntary sector placements to provide 50,000 new trained childcarers.⁶⁸ Some providers of the Environment Task Force and the Voluntary Sector Option will pay a wage rather than an allowance.
4. The Full-Time Education and Training Option: This option is designed “primarily to provide help for those without N/SVQ 2 or equivalent level qualification,

⁶¹ DfEE Press Release, 3 July 1997

⁶² Design Document, p 27

⁶³ HC 85, July 1997, p 31

⁶⁴ HC Deb 15 July 1997 c 116W

⁶⁵ Design Document, p 26

⁶⁶ DfEE Press Release, 3 July 1997

⁶⁷ Design Document, p 26

⁶⁸ HC 85, July 1997, p 31

especially people who lack the qualities, attitudes and basic skills for employment.”⁶⁹ Participants in this option are guaranteed access to up to 52 weeks of full-time education and training on a course leading to an approved qualification; support for basic skills leading to the achievement of an approved qualification; or a combination of these. The approved qualifications are listed in Schedule 2 to the *Further and Higher Education Act 1992* and Section 6 of the *Further and Higher Education (Scotland) Act 1992*. Young people on this option will receive an allowance equivalent to benefit and remain entitled to passported benefits. They also have access to a discretionary fund to help with travel and other costs.⁷⁰

Young people who fail to take up an option are required to take a place identified for them by the Employment Service. If they do not, benefit sanctions may be applied.⁷¹ The Regulations implementing the basic Jobseeker’s Allowance (JSA) sanction for those who refuse to take up one of the New Deal options were laid before Parliament on 12 December 1997 and came into force on 5 January 1998.⁷² They deprive those who refuse a New Deal place of the JSA personal allowance (currently £39.85 per week) for two weeks for a first refusal and for four weeks for a subsequent refusal within the following twelve months. This is the standard JSA benefit sanction for failing to go on a compulsory programme or obey a Jobseeker’s Direction. Although such people lose their JSA benefit, they do not lose their entitlement to it. For those on income-based JSA, it is entitlement, not actual payment, which acts as a passport to Housing Benefit, Council Tax Benefit and other “passport” benefits such as free prescriptions, so they will continue to receive these benefits. Those who take up the employment option in the New Deal lose their automatic entitlement to passported benefits. As employed people, they are no longer entitled to JSA. They may be able to claim housing benefit, and other in-work benefits, on the grounds of low income.

Cost and Numbers: The New Deal costings were originally based on a figure of 250,000 18-24 year olds unemployed for six months or more. However, this figure had fallen to 122,000 by October 1997 and was just below 120,000 in April 1998. However, thousands more pass the six month threshold every month. The Government is committed to offering them all a place on the New Deal.⁷³

A total of £3,150 million from the windfall tax was originally allocated to the programme over the period 1997-02.⁷⁴ This has now been reduced to £2,620 million:⁷⁵

⁶⁹ Design Document, p 20

⁷⁰ Ibid, p 23

⁷¹ DfEE Press Release, 3 July 1997

⁷² *The Social Security Amendment (New Deal) Regulations 1997*, SI 1997 No 2863

⁷³ DfEE Press Release, 3 July 1997

⁷⁴ HC 85, July 1997, p 33

⁷⁵ *New Ambitions for Britain: Financial Statement and Budget Report*, March 1998, HC 620, p 43

	July 1997⁽²⁾	March 1998⁽³⁾
	£ million	£ million
1997-98	100	100
1998-99	700	580
1999-00	830	650
2000-01	770	640
2001-02	740	640
Total ⁽¹⁾	3,150	2,620

- (1) totals may not add up due to rounding
- (2) Financial Statement and Budget Report, HC 85, July 1997
- (3) Financial Statement and Budget Report, HC 620, March 1998

Progress Report:

Figures published in November 1998 provide information on the New Deal up to the end of September 1998.⁷⁶ These figures are based on Government Statistical Service figures supplemented by Employment Service management information. By the end of September, 167,400 young people had entered the New Deal. This includes those in the pathfinder areas which began in January 1998, three months before the national roll out. Of these 167,400, 40,200 had left the New Deal. Over 30,000 people have gone into jobs from the Gateway of which over 70% were unsubsidised. Of the 127,100 participants on the New Deal at the end of September 1998, 77% were still on the Gateway and of the rest 27% were on the employment option, 54% on the Full-time Education and Training option, 10% on the Voluntary Sector option, and 9% on the Environment Task Force.

Concern has been expressed about the numbers leaving the New Deal without a recorded destination. According to the Government's figures, approximately 10,000 young people have left the New Deal without being recorded as entering a job or transferring to another benefit.⁷⁷ The Government argue some of these people will have gone into jobs but not notified the Employment Service and that a study is being carried out to improve data collection techniques and to try to track the destination of young people leaving the New Deal. Critics believe that high numbers of young people may be disillusioned with the quality of the programmes offered.⁷⁸

The Future: In his March 1998 Budget, Gordon Brown announced that childless partners aged under 25 will be included in the New Deal.⁷⁹ At present, non-working

⁷⁶ DfEE Statistical First Release, *New Deal for Young Unemployed People: statistics*, 26 November 1998

⁷⁷ Ibid

⁷⁸ "Embittered young drop out of Blair's New Deal jobs", *Sunday Times*, 2 August 1998

⁷⁹ Treasury Press Release, *Budget boost for Welfare to Work: Gordon Brown announced further extension of the New Deal*, 17 March 1998

partners of unemployed claimants are eligible for employment programmes such as Training for Work, but they do not have to be "actively seeking work" for their partners to receive the couple rate of JSA (currently £79.00 per week). Legislation will be required to make partners of the unemployed subject to the same "actively seeking" and "available for work" conditions as the main claimant. Further details of how the extension of the New Deal for Young People to the partners of the unemployed will operate have not been announced to date.

Changes to the procedures in the New Deal for Young People continue to be implemented. Since the national programme began in April 1998, homeless people have been added to the list of those who have an automatic right to early entry under the New Deal and a number of pilot projects introduced. These pilots may be extended nationally over the coming months. Examples of these pilot initiatives are the up-front subsidy available in the original New Deal pilot areas and the pilot project in Wales involving jobseekers helping as classroom assistants.⁸⁰

Further Reading

1. Unemployment Unit and Youthaid, *New Deal Handbook*, 1997
2. Thomas Lange and James McCormick, *From New Deal to real deal? Developing Welfare-to-Work in Scotland*, Scottish Council Foundation, 1998
3. House Of Commons Library Research Paper 97/118, *Welfare-to-Work: the New Deal*, 12 November 1997
4. David Willetts, *Welfare to Work*, Social Market Foundation, April 1998
5. Hugh Sykes, *Welfare to Work - the New Deal: maximising the benefits*, Politeia, 1998
6. Education and Employment Committee, *The New Deal Pathfinders*, 28 July 1998, HC 1059 1997-98
7. Scottish Affairs Committee, *Welfare to Work in Scotland: the New Deal*, 28 January 1998, HC 335 1997-8

⁸⁰ see "New Deal plan for jobless to work in schools", *Financial Times*, 24 August 1998.

G. New Deal for the Long-Term Unemployed

This forms part of the Government's Welfare-to-Work policy and is aimed at those people over the age of 25 who have been unemployed for more than two years. In addition to the national New Deal programme described below the Government has introduced regional initiatives to be piloted for unemployed people over the age of 25. These are the New Deal Pilots for Unemployed People over 25 and the Employment Zones discussed in Sections H and I.

Announced: The programme was foreshadowed in Labour Party policy documents before the 1997 General Election. Labour's manifesto promised to "encourage employers to take on those who have suffered unemployment for more than two years with a £75-a-week tax rebate paid for six months, financed by the windfall levy". The formal announcement, however, came in Gordon Brown's first Budget on 2 July 1997:

There are 350,000 adults who have been out of work for two years or longer. So the second component of our welfare-to-work programme will offer employers a £75-a-week subsidy to employ long-term unemployed men and women. Many of those unemployed who lack skills are debarred by the 16-hour rule from obtaining them. For this group--the unskilled--the 16-hour rule will now be relaxed, so that when the long-term unemployed sign on for benefit, they will now sign up for work or training.⁸¹

Started: 29 June 1998.

Eligibility: Those aged over 25 and claiming Jobseeker's Allowance/Unemployment Benefit for more than two years will automatically enter the New Deal for the Long-Term Unemployed. Those already unemployed for more than two years when the New Deal starts will enter the New Deal at their next full year point. For example, somebody unemployed for two and a half years in June 1998 when the New Deal starts will enter it in December 1998 when they reach three years unemployment. People in this situation will be able to join the New Deal early if they wish to do so by approaching the Employment Service.

People who have been unemployed for at least one year can enter the New Deal for the Long-Term Unemployed early if they face severe disadvantages in finding work. In deciding who can join early, Employment Service Personal Advisers will take the following factors into account:

- Problems with reading, writing or numeracy
- Disability
- Those whose first language is not English, Gaelic or Welsh

⁸¹ HC Deb 2 July 1997 c 309

- Those who are ex-offenders
- Homelessness⁸²

Claimants will be eligible for early entry if they have been unemployed for more than two years but their claim for Jobseeker's Allowance has not been continuous because they have claimed: Invalid Care Allowance; Maternity Allowance; a Training Allowance; Severe Disablement Allowance; Incapacity Benefit or Income Support on incapacity grounds.

Details: Unlike the New Deal for Young People, the New Deal for the Long-Term Unemployed does not guarantee a place on a programme to everybody in the eligibility group. Details of how the initiative would operate were published in the design document in 1998. All eligible claimants will be offered a series of individually tailored advisory interviews carried out by a New Deal Personal Adviser. This process is expected to last between three and six months. The Personal Adviser will provide:

- Advice on drawing up a New Deal Action Plan
- Intensive help with jobsearch
- Continuing support throughout the advisory process and beyond⁸³

People with disabilities will have access to specialist provision as appropriate.

Claimants may then be referred to one of a number of programmes provided through the Employment Service. These are described in more detail in separate sections of this Paper but include:

1. Programme centres
2. Jobplan Workshop
3. Jobclub
4. Work Trials
5. Jobfinder's Grant
6. Jobmatch
7. Travel to Interview Scheme
8. Work Based Training for Adults

There are two new elements offered by the New Deal for the Long-Term Unemployed, as indicated by the Chancellor in the 1997 Budget:

1. Employment option: a subsidy to employers of £75 per week for 26 weeks for jobs offering at least 30 hours per week. A subsidy of £50 will be offered for jobs

⁸² DfEE, *New Deal for long-term unemployed people aged 25 plus*, 1998 ["25 plus design document"] page 5

⁸³ "25 plus Design Document", page 1

of between 16 and 29 hours per week. The employment option will operate in much the same way as the New Deal for Young People. Employers must sign an agreement that confirms they have not laid off an existing employee to take on somebody under the New Deal and the post offered must be permanent or expected to last for at least six months. However, unlike the New Deal for Young People, employers do not receive any additional money for training and will not be required to offer it.

2. Full-Time Education and Training Option: opportunities for those unemployed for two years or more to study for up to twelve months in full-time employment-related courses designed to reach an accredited qualification. This essentially represents a national extension of the Workskill Pilots in that participants will remain on Jobseeker's Allowance but the "actively seeking work" condition for receipt of benefit is relaxed to allow a claimant to study full-time. The *Social Security (Amendment) New Deal Regulations 1998* relaxed the rule for this group from 1 June 1998.

As there is no guarantee of a place on any of the above options, benefit will not usually be withdrawn for failure to take a place on a programme. However, every New Deal participant will be required to attend the series of advisory interviews. Failure to attend could result in benefit being withdrawn for two or four weeks. This was clarified by David Blunkett, Secretary of State for Education and Employment in an answer to a PQ when he said, "Attending for interview is compulsory, but taking one of the options available in the programme for the longer-term unemployed is not".⁸⁴

Cost and Numbers: A total of £350 million from the windfall tax was allocated to the programme over the period 1997-2002.⁸⁵ The figure of £479 million sometimes quoted in relation to the New Deal for Long-Term Unemployed includes £129 million for the November pilots (see section H).⁸⁶

A total of 10,000 places over the lifetime of the Parliament has been made available for the Full-Time Education and Training option of the New Deal for the Long-Term Unemployed.⁸⁷

In his Budget statement on 17 March 1998, Gordon Brown said:

From June, every one of the 225,000 men and women who have been unemployed for two years or more can benefit from a £75 a week employers' subsidy which, for them, will be a passport to work. But the Government are

⁸⁴ HC Deb 9 July 1998 c 1223

⁸⁵ HC 85, July 1997, p 33

⁸⁶ see for example, DfEE Press Release, *200,000 set for help as New Deal 25 plus goes live - Smith*, 29 June 1998

⁸⁷ HC Deb 26 January 1998 c 88W

determined to do more, and we will offer – initially to 70,000 men and women – an individual service of expert help and advice to find work.⁸⁸

In the press release announcing the launch of the New Deal for the Long-Term Unemployed, the Government said that 194,479 people were unemployed for more than two years and over the age of 25 with 5,000-10,000 people moving past two years unemployment each month.⁸⁹

Further Reading

1. Dan Finn, Martin Blackmore, Matthew Nimmo, *Welfare-to-work and the long-term unemployed*, Unemployment Unit, 1998

⁸⁸ HC Deb 17 March 1998 c 1102

⁸⁹ DfEE Press Release, *200,000 set for help as New Deal 25 plus goes live - Smith*, 29 June 1998.

H. New Deal Pilots for Unemployed over 25

Announced: On 5 January 1998, Andrew Smith announced that the Government would be piloting an extension of “variants of the New Deal approach” to older groups. These pilots would start with 25-35 year olds who have been out of work for a year or 18 months:

The Chancellor has made clear today that we are prepared to invest more money from the windfall levy to enable us to develop Gateway opportunities for the older unemployed who have been out of work for a year or 18 months. Variants of the New Deal approach will be introduced through pilots, moving up the age range to include initially 25-35 year olds, and trying proposals out in selected areas. This will build on current plans for older workers which from June will include a subsidy of £75 per week for employers who recruit people out of work for two years or more and the opportunity for up to 10,000 to take up full-time training and study.

For older unemployed people there will also be, starting in February, a £60 million 'Employment Zone' programme. The brainchild of the Secretary of State, they will combine a range of resources into imaginative programmes providing personal job accounts for adult unemployed men and women, many of whom will be over 50.

One of the great strengths of the New Deal is that it is flexible to the changing nature of the labour market and caters to the needs of individuals. In providing a Gateway component to the New Deal for older unemployed we can provide more comprehensive assessment, advice and help with basic skills. It will be combined with other advice and help and build on existing initiatives such as jobsearch, work-based training, work trials with employers and self-employment.

In this new initiative for unemployed people we will be insisting on the same high quality standards and monitoring as we have been for the New Deal for the young unemployed. It is high quality, continuity of personal support, a partnership with business and the wider community which sets it apart from previous schemes.⁹⁰

Starting: End of November 1998.⁹¹ There are 28 pilots plus the whole of Northern Ireland. Ten are private sector led. The other 18 are delivered by existing New Deal partnerships which are Employment Service led. On 14 May 1998, Andrew Smith, Minister for Employment, announced that the private sector areas would be the same as

⁹⁰ DfEE Press Release, *New Deal for older unemployed to get Gateway boost*, 5 January 1998.

⁹¹ DfEE, *The Delivery of the New Deal: Information pack for 25+ New Deal pilots: private sector lead competition*, May 1998.

those where the New Deal (for 18-24 year olds) was already led by the private sector.⁹² The areas concerned are Bridgend and Glamorgan Valleys, Colchester, Exeter and East Devon, Forth Valley, Hackney and City, Leicestershire, Solihull, South Humber, Tyneside North and West Lancashire.

The pilot areas in Great Britain are:⁹³

For those unemployed 12 months or more	
Area	Partnership led by
Portsmouth and SE Hampshire	Joint venture partnership
Sheffield	TEC
Wigan	Chamber of Commerce Training and Enterprise
Bexley and Greenwich	TEC
Fife	Joint venture partnership
Western Isles	LEC
West Wales	TEC
Exeter and East Devon	Private sector led
Solihull	Private sector led
West Lancashire	Private sector led

⁹² HC Deb 14 May 1998 cc 181-2W

⁹³ Letter from Andrew Smith to MPs, 4 September 1998

For those unemployed 18 months or more	
Area	Partnership led by
Bristol and South Gloucester	Employment Service
Coventry	Joint venture partnership
Southampton and SW Hampshire	TEC
Ealing, Hounslow and Richmond	Joint venture partnership
Camden and North Islington	Employment Service
Rotherham	Phoenix limited company consortium
Lanarkshire	Local authority
Bridgend and Glamorgan Valleys	Private sector
Colchester	Private sector
Forth Valley	Private sector
Hackney and City	Private sector
Leicestershire	Private sector
Tyneside North	Private sector
South Humber	Private sector

Early entry pilots	
Area	Partnership led by
Cornwall	Employment Service
Hereford and Worcester	Joint venture partnership
Teeside (Tees North)	TEC
Suffolk and Waveney	Local authority

Details: Further information was released with the Budget on 17 March 1998.⁹⁴ As part of these pilots, there will be special assistance tailored to the needs of the over 50's.⁹⁵ Provision will be tailored to the individual and will include:

- Intensive personal advice which will underpin an initial period of jobsearch, vocational guidance or, where appropriate, a professional assessment of training needs.
- Followed by a range of options, taking place over a period of three months, that could include:
- A job with an employer, supported by trial periods and a £75 a week employment subsidy;

⁹⁴ Treasury Press Release, *Budget boost for Welfare to Work: Gordon Brown announced further extension of the New Deal*, 17 March 1998.

⁹⁵ Ibid

- Focused work-related training, designed, where possible, for immediate job entry;
- Help into self employment, including the opportunity for test trading; or
- Work in the voluntary sector or with an environmental project.⁹⁶

Documentation sent out to potential private sector bidders in May 1998 explained:

The Government wishes to examine the effectiveness of the pilot approach in helping into work a number of distinct groups:

- Those reaching the 12th month of unemployment;
- Those reaching the 18th month of unemployment;
- Those already past these thresholds;
- Those, in all the above groups aged 25-49; and
- Those in all the duration groups aged 50 or more.

We are also interested in the possibility of opening the pilots to people who, though yet to reach the 12 month threshold, could be considered in particular need of help to get back to work.

Some pilot areas will deal with only one of the above groups, some will deal with a combination.

The basic design of the pilots is described as follows:

- An initial period of 3 months when the participant receives intensive help in jobsearch, including vocational guidance and, where appropriate, training needs assessment and the opportunity to undertake training. (Where pre-vocational or basic skills training needs are identified, participants will be given access to the training they require through work based training for adults);
- Those who do not find work in this period will progress to a further three month period of activity consisting of an individually-tailored mix of work experience, job-related training, help into self-employment, and jobsearch help;
- During this period participants will be eligible for the Government's New Deal employer subsidy of £75 a week for six months;
- Those who have not managed to get work during this period, or who return to benefit within three months will enter a follow-through period. During this time they will receive further advisory support and vocational guidance to help them into work.

⁹⁶ Ibid

Participation in the pilots is mandatory.

Cost and Numbers: In a press release announcing the launch of the national New Deal for the Long-term Unemployed, the DfEE announced that £129 million had been allocated to the November pilots.⁹⁷ The pilots will make 90,000 places available. This represents £29 million, and 20,000 places, more than had initially been indicated.⁹⁸

⁹⁷ DfEE Press Release, *The New Deal for 25 plus goes live - Smith*, 29 June 1998

⁹⁸ see for example, DfEE, *Departmental Report 1998*, p 94

I. Employment Zones

Announced: A proposal to create Employment Zones was included in the Labour Party manifesto.⁹⁹ In a Press Release on 15 September 1997, Andrew Smith said:

Concentrated areas of unemployment still corrode some communities even though headline unemployment is falling. That is why we said in our manifesto that we would create Employment Zones, targeting help to those who need it most. I am today inviting the communities in eight areas to draw up action plans to become the first Employment Zones, pioneering a new approach to tackling unemployment.

In Employment Zones, new help for long-term unemployed people will be designed by local partnerships of organisations from the public, private and voluntary sectors. All bids must include plans for:

- Learning for Work - training and education to improve employability;
- Business Enterprise - help with moving from welfare into self-employment;
- Neighbourhood Match - doing work which benefits the wider community.

But beyond these three core strands, we want to see innovative pathways into sustainable work. For example an unemployed person might be given help gaining a specific qualification or certificate, a grant or loan for equipment or clothing, or training in skills that local employers need. Employment Zones will give communities the flexibility to devise local solutions which best meet local needs. They will have our full support: not least in the £33 million earmarked between February 1998 and April 1999.¹⁰⁰

Started: In the prototypes, in February 1998.

Eligibility: Participation in the schemes is voluntary. The basic eligibility criterion is that participants must be aged 25 or over with a continuous claim for Jobseeker's Allowance of one year or more. However, the following groups will be eligible from day one of unemployment:

- people with disabilities;
- those who require help with basic skills: literacy, numeracy and spoken English (Welsh for clients in Wales);
- returners to the labour market;

⁹⁹ *New Labour because Britain deserves better*, Labour's manifesto for the 1997 General Election, p. 19.

¹⁰⁰ DfEE Press Release, *Employment zones: new help from welfare to work*, 15 September 1997

- lone parents;
- ex-offenders;
- ex-regulars;
- victims of large scale redundancies (subject to Ministerial approval).¹⁰¹

Participants receive a training allowance equivalent to their benefit plus £15 per week¹⁰² or a wage if they are employed on a scheme.¹⁰³ They will be able to remain on an Employment Zone programme for up to 52 weeks.¹⁰⁴

Details: The prospectus was issued on 15 September 1997 and eight areas were invited to bid for one of the four or five Employment Zones to be created: Birmingham, Doncaster, Liverpool, Plymouth, South Teesside, Glasgow, North-West Wales and Wembley.¹⁰⁵ The successful bids were announced on 10 December 1997 and are: Glasgow, North Wales, South Teesside, Liverpool and Plymouth.¹⁰⁶

The prospectus explains:

Employment Zones are a new approach to helping unemployed people move from welfare into work. They will be set up in areas of the country with particularly high levels of long-term unemployment. The Government is looking for new ways to give unemployed people the opportunity to improve their employability and move back into and remain in employment. Success will be of direct benefit not only to the individuals concerned but will ultimately help ensure national competitiveness.

Large amounts of public money are spent in areas of high unemployment. This includes money spent separately on benefit, training and programmes. Ministers wish to see this money used more flexibly and innovatively in certain areas of the country, designated as Employment Zones. They are keen that plans for this should be drawn up by local partnerships to meet local needs. At present legislation does not permit such flexible pooling of money voted by Parliament for separate purposes. Ministers are, therefore, seeking to test the approach within the limits of existing legislation by setting up prototype Employment Zones.

The New Deal for young people will operate alongside Employment Zone provision in the prototype areas. Provision will still be required in these areas for those who are not Employment Zone or New Deal participants.

¹⁰¹ DfEE, Employment Service, Welsh Office, Scottish Office, *Welfare to Work: Employment Zones: Local Solutions to Individual Needs*, 1997, p 19 (the Prospectus)

¹⁰² DfEE Press Release, *£58 million boost for Employment Zones*, 10 December 1997

¹⁰³ Prospectus, p 19

¹⁰⁴ *DfEE Departmental Report*, April 1998, Cm 3910, p 95

¹⁰⁵ DfEE Press Release, *Employment zones: new help from welfare to work*, 15 September 1997

¹⁰⁶ DfEE Press Release, *£58 million boost for Employment Zones*, 10 December 1997

At the heart of the Employment Zone concept is a commitment to give individuals a wider choice of paths out of unemployment. Individuals will be given a sense of ownership and choice which will help them improve their own employability.

Employment Zones will:

give individuals a wider range of choices tailored to fit their needs and aspirations and give them real ownership of the choices they make; and

harness the creative potential of local communities to find new paths into employment.

Partnership delivery

Employment Zones will involve a wide range of partners at local level in developing innovative and creative approaches to tackling long-term unemployment. The intention is to test this approach in the prototype Employment Zones. In these areas, the Employment Service will work with Government Offices in England and the Scottish and Welsh Offices alongside local partners, which may include local authorities, TECs or LECS, voluntary sector bodies, Careers and Adult Guidance Services, Chambers of Commerce, economic development organisations, colleges, employers, trade unions and others.¹⁰⁷

The prospectus suggests funding for schemes should be based on an average of £2,000 per participant and that up to 50% of this may be available as new money.¹⁰⁸ There is an assumption that there will be about 1,000 in each prototype at any one time.¹⁰⁹ The prototype Employment Zones were launched in February 1998 and will run for up to two years.¹¹⁰

There are currently five prototype Employment Zones (EZs) and these contain the following features:¹¹¹

Liverpool and Sefton

The EZ partnership includes representation from local private sector employers such as the Littlewoods Group and the Alliance and Leicester building society. Participants will be helped with their claims for in-work benefits as part of a "Personal Income and Employment plan". A pool of mentors is being developed to support unemployed people

¹⁰⁷ Prospectus, p 4

¹⁰⁸ Ibid, p 14

¹⁰⁹ Ibid, p 19

¹¹⁰ DfEE, *Departmental Report 1998*, p 95

¹¹¹ DfEE Press Release, *Merseyside's Employment Zones to get Ford boost - Smith*, 17 June 1998, and Unemployment Unit's *Working Brief*, August 1998, p 14-17

on EZ provision. The Liverpool and Sefton EZ is also planning to pilot changes to the rules on earnings disregards for those on benefit. Under the proposal, for the first three months, partners of the unemployed on Jobseeker's Allowance (income based), Incapacity Benefit or Income Support would have any earnings completely disregarded subject to the overall hours rules. Under current rules any income above prescribed amounts is withdrawn from benefit on a pound for pound basis.

Glasgow

The Wise Group and Glasgow Works already offer Intermediate Labour Market provision in Glasgow. The EZ will build on this. Glasgow will also be piloting its own Individual Learning Accounts as part of the Learning for Work option in the EZ.

North-West Wales

Provision will be used to help support unemployed people in the isolated rural communities in this area. Graduates will be targeted in an attempt to prevent them leaving the area and language training will be provided for Welsh speakers wishing to learn English and English speakers for whom learning Welsh would improve their employment prospects. The rules for eligibility for government programmes such as Work Based Training for Adults have been relaxed in this area to allow people with seasonal work patterns to qualify for help.

Plymouth

There is an emphasis on providing affordable and reliable public transport within the EZ. The EZ partnership is negotiating with local bus and train operators to introduce routes that match the potential employment patterns within the area. New services will be pump-primed by Single Regeneration Budget money. Travel cards and childcare vouchers are being developed. The EZ also has a separate target to help unemployed people over the age of 45 into work.

South Teesside

Employment Service advisers are based within local community projects rather than the Jobcentre. The EZ is lead by the local TEC and an IT network and website is being developed. Specific areas within the EZ region where unemployment is particularly high are being targeted for extra assistance.

Cost and Numbers: A total of £58 million has been allocated to the initiative until April 2000.¹¹² The prototype Employment Zones aim to help approximately 5,000 people over this period.¹¹³

¹¹² DfEE Press Release, *£58 million boost for Employment Zones*, 10 December 1997

The Future: The three regions that originally bid unsuccessfully for the prototype EZs have been granted "development" status. Although not fully fledged EZs these are implementing innovative programmes to be targeted at those unemployed for more than one year and over the age of 25. The areas are Wembley and Harrow, Birmingham and Solihull and Doncaster. According to the DfEE, they have been given between £150,000 and £650,000 from the ES budget to develop new programmes. It remains unclear whether these three regions will be granted full EZ status in the future.

The DfEE proposes to extend the number of EZs in the year 2000 and will base future policy on the experience of the prototypes. A number of decisions have yet to be made about how these "fully fledged" EZs will operate. As the original prospectus made clear, more flexible pooling of Government funds would require legislation and it remains unclear whether the Government intends to make time for such legislation to be introduced. Also, issues such as whether the EZ programmes should be compulsory, and the amount and source of any additional funding are questions that remain to be decided.

¹¹³ DfEE, *Departmental Report 1998*, p 95

J. New Deal for the Disabled

There are two main elements to the New Deal for Disabled People. These are a new personal adviser service for disabled people and a series of innovative pilot schemes to help sick and disabled people return to work.

Announcement In his Budget statement on 2 July 1997, Gordon Brown announced plans to help long-term sick or disabled people return to employment:

In 1997, no one in our society who wants to do some work should be excluded from the right to work because of disability or incapacity. So as a final element of our welfare-to-work strategy, we shall bring forward proposals to help those who are disabled or on incapacity benefit, and who want training or work. To fund that programme and other measures, I have set aside £200 million from the windfall fund.¹¹⁴

Started: The first six pilots of the personal adviser service were launched on 28 September 1998.¹¹⁵ A further six will start in early 1999. The Government announced details of the first ten successful bids for the innovative schemes in July and these will begin during 1998-9.¹¹⁶

Eligibility: The personal adviser service is available to people with a long-term illness or disability. It will initially focus on those in receipt of Incapacity Benefit, Income Support with a Disability Premium and Severe Disablement Allowance.¹¹⁷ Eligibility for the innovative schemes will depend on their content and the client group they aim to help.

Details: Details of the pilot areas for the personal advisers were announced on 30 March 1998:

A new personal adviser service will be piloted in 12 areas, covering over a quarter of a million people on incapacity benefits. The first six, to be run by the Employment Service, will start in October with a budget of £5 million. The remainder will be put out to open tender and start in early 1999 with a £12 million budget. National implementation will be considered from April 2000.

The areas for the first six pilots are:

Lanarkshire: Clyde Valley and Coatbridge; Eastern Valleys; Sandwell; Bolton; Central Sussex; and Bristol East and Bath.

¹¹⁴ HC Deb 2 July 1997 c 310

¹¹⁵ HC Deb 19 October 1998 c 955W

¹¹⁶ DSS press release, *Ministers announce winners of pioneering schemes for New Deal for disabled people*, 16 July 1998

¹¹⁷ DfEE press release, *Personal Advisers will help disabled people to find and keep work - Howarth*, 28 January 1998

The remaining six are:

Newham; South Tyneside; Mercia East; South Devon; Bedfordshire; and North Yorkshire.

The personal advisers will make initial contact with those on incapacity benefits; complete an employability assessment; agree and support an individual action plan; and help employers to retain disabled employees.¹¹⁸

The Government expects to award around 20 contracts under the bidding process for innovative schemes. Details of the first ten successful bids were provided in a DSS press release on 16 July 1998.¹¹⁹ They include a scheme in Manchester to help people with long-term mental health needs and a national programme run by Leonard Cheshire Workability which will provide on line home based training on specially adapted IT equipment.

The announcement on personal adviser pilots on 30 March 1998 contained details of other measures designed to help disabled people:

Other key elements of the New Deal for Disabled People package announced today include:

Benefit changes to remove disincentives to work. These include a new linking rule to take the financial risk out of taking a job which may not work out. From October this year, this will help former claimants of incapacity benefits who take a job but then have to return to benefit within a year with an illness or disability. They will be able to return to benefit at the rate they were previously being paid, rather than facing a potential loss of up to £40 a week. The rule limiting voluntary work to 16 hours a week for those on incapacity benefits will be abolished from October 1998.

Pilot benefit measures to help disabled people take the first steps into work. A new power will be taken in the current Social Security Bill to allow a range of beneficial changes to be made to benefit rules on a pilot basis. Initially, these will include enabling those on incapacity benefits to undertake work for a trial period whilst remaining on benefit; and to earn up to £15 whilst on benefit. This will mean that disabled people can take some first steps towards a return to the labour market without having to leave benefit as they would currently.

Pilot further financial incentives to work, currently only available to unemployed people. These involve: a Jobmatch payment of £50 a week for those moving into part time work; and a Jobfinder's Grant of £200 for those starting work.

¹¹⁸ DfEE press release, *New personal advisers service for disabled people to be piloted in twelve areas*, 30 March 1998

¹¹⁹ DSS press release, *Ministers announce winners of pioneering schemes for New Deal for disabled people*, 16 July 1998

The introduction of a Disabled Person's Tax Credit to replace and improve on Disability Working Allowance, from October 1999.¹²⁰

The 1998 Pre-Budget report states that the Disabled Person's Tax Credit, to be introduced from October 1999, will guarantee an income of £150 for a single disabled person in full-time work.¹²¹

Costs and Numbers: The £200 million figure used by Gordon Brown in his Budget statement quoted above included "provision for future measures".¹²² The "future measures" included "the University for Industry and Welfare to Work help for people on incapacity benefit".¹²³ The allocation for the disabled was later specified as £195 million.¹²⁴ The March 1998 Budget Report gave the following expenditure figures for the New Deal for the Sick and Disabled.¹²⁵ These figures are rounded to the nearest £10 million and therefore the constituent items do not sum to the total:

	£ million
1997/98	0
1998/99	10
1999/00	20
2000/01	80
2001/02	80
1997/2002	200

Benefit changes: Although the Government has stated that the New Deal for Disabled People will be voluntary, it has inevitably been linked to the review of disability benefits which fuelled much speculation about possible benefit cuts at the end of 1997.¹²⁶ The Government's proposals on disability benefits are contained in the Green Paper, *A new contract for welfare: support for disabled people* and go beyond the scope of this paper.¹²⁷

¹²⁰ DfEE press release, *New personal advisers service for disabled people to be piloted in twelve areas*, 30 March 1998

¹²¹ HM Treasury, *Pre-Budget Report*, Cm 4076, November 1998, p 61

¹²² HM Treasury, *Financial Statement and Budget Report, Equipping Britain for our long-term future*, HC 85, July 1997, Table 2.1

¹²³ Ibid, footnote 5

¹²⁴ See eg, DSS Press Release, 29 October 1997, *Ministers announce major new consultation with sick and disabled people*

¹²⁵ *New Ambitions for Britain: Financial Statement and Budget Report*, HC 620, March 1998, Table 3.1

¹²⁶ see for example, "Labour's secret benefit plans", *Guardian*, 21 November 1997 and "Disabled to face benefit cuts", *Guardian*, 13 December 1997

¹²⁷ Cm 4103, October 1998

K. New Deal for Lone Parents

This also forms part of the new Labour Government's "Welfare to Work" programme. Under the programme, lone parents with school age children are invited to the local Job Centre for help and advice on jobs, benefits, training and childcare.

Announced: The programme was foreshadowed in Labour party policy documents before the 1997 General Election and mentioned in the manifesto. The formal announcement came in Gordon Brown's first Budget on 2 July 1997:

There are now 1 million lone parents bringing up 2 million children on benefit. Any welfare-to-work programme that seriously tackles poverty in our country must put new employment opportunities in the hands of lone parents. So today I am allocating a total of £200 million from the windfall fund for the most innovative programme that any Government have introduced for advice, training, and day and after-school child care to support lone parents.

Currently, lone parents receive little encouragement to seek work before their youngest child is 16. Under the programme that I am announcing today, when their youngest child is in the second term of full-time schooling, lone parents will be invited for job search interviews and offered help in finding work that suits their circumstances. On Friday, my right hon. Friend the Secretary of State for Social Security will explain to the House the full details of how that new radical programme will be introduced.

A generation of parents have waited for the Government to introduce a national child care strategy. From this Budget onwards, child care will no longer be seen as an afterthought or a fringe element of social policies. From now on it will be seen, as it should be, as an integral part of our economic policy.

First, we shall increase the supply of child care in our country and make it more accessible. In addition, as part of the new deal for young people, we shall encourage voluntary organisations to take on and train young people and help them into careers as child care assistants.

We believe that over a five-year period, as many as 50,000 young people can be trained as child care assistants. We shall make child care more affordable as well. From next summer, every lone parent with more than one child, who qualifies for family credit, housing benefit or council tax benefit, will have the first £100 of weekly child care costs disregarded in calculating in-work benefits. Every lone parent on family credit with children 12 years old or younger will be able to receive help.

Lottery money will be available for after-school clubs, and as we replace the wasteful and chaotic system of nursery vouchers, we shall be able to offer reliable access to nursery places for every four-year-old in Britain. With those measures,

which bring both child care and employment within the reach of many more parents, we have taken the first step towards a national child care strategy for the United Kingdom.¹²⁸

Gordon Brown's Pre-Budget Statement on 25 November 1997 gave further details, particularly of the financing of childcare provision:

Helping lone parents into work is the most effective long-term way to tackle their family poverty. The new deal for lone parents began in eight areas in July. Already it is yielding results where it counts--in higher living standards for lone-parent families. From next year, our welfare-to-work programme will be extended to help every lone parent who wants advice and help, and from April every lone parent coming on to benefit will be offered help to find work, if that is what he or she wants.

Lone parents need, and have a right to expect, affordable child care. Since May, my right hon. Friends the Secretaries of State for Education and Employment and for Social Security have been working with the Treasury on plans to make a reality of a national child care strategy. Paramount in this family policy are the interests of the child. Tomorrow, my right hon. Friends will announce a five-year plan to extend out-of-school child care clubs to every community in Britain.

Funds will be available to set up as many as 30,000 new out-of-school clubs, which will provide places for almost 1 million children. The total cost over five years is £300 million, which is now budgeted for in our plans and represents the biggest ever investment in child care. The cost will be shared between the Exchequer and the new opportunities fund.

To staff these new clubs, 50,000 young people across Britain will be offered training as child carers through our welfare-to-work programme. Under our plan, every lone parent who needs it will be able to find an out-of-school club in his or her community. A national child care strategy is no longer the ambition of workless parents; it is now the policy of this country's Government.¹²⁹

Started: The New Deal for Lone Parents was introduced in three stages. The first stage pilots began in Cambridgeshire, Warwickshire, Cardiff & Vale, Sheffield East, North Cheshire and North Worcestershire from 21 July 1997; in Clyde Valley from 22 July 1997; and in North Surrey from 4 August 1997.¹³⁰ In the second stage from April 1998, the programme was extended nationally to those lone parents who made a new or repeat claim for Income Support.¹³¹ The programme was extended nationally to all lone

¹²⁸ HC Deb 2 July 1997 cc 309-310

¹²⁹ HC Deb 25 November 1997 c 777

¹³⁰ DSS Press Release, *New Deal for Lone Parents*, 4 July 1997

¹³¹ DfEE Press Release, *New Deal for Lone Parents to be extended - Smith*, 29 April 1998

parents on Income Support, whose youngest child is over the age of 5, from October 1998.¹³²

Details: Eligible lone parents are sent a letter inviting them into the Job Centre. After an initial interview each lone parent will develop an individual plan of action with the help of their personal caseworker on how they can develop their job search skills, training and find childcare to help them into work. This includes access to the range of Employment Service programmes for the unemployed the eligibility rules of which were changed to allow access for lone parents who had been in receipt of benefit for less than six months.¹³³ Starting in Cambridge, lone parents will also be able to use internet computer terminals in many public areas such as local libraries or Job Centres where they can get information on jobs, local childcare availability and DSS benefits. Lone parents who take part in the New Deal will be fast tracked for help with Family Credit by the Benefits Agency and for child maintenance by the Child Support Agency.¹³⁴

In the debate on the March 1998 Budget, Harriett Harman, then Secretary of State for Social Security, announced an extension of the provision within the New Deal for Lone Parents:

We know that in the modern economy skills and qualifications are the key both to getting a job and to getting on in that job. That is why we are investing heavily in helping young unemployed people to improve their skills and education, through the new deal for 18 to 24-year-olds.

For lone mothers the problem of lack of skills is even greater. Whereas the number of young unemployed people who do not have qualifications is one in five--that is serious enough--half of lone mothers have no qualifications. So today I am building on the work begun by the Select Committee on Education and Employment, for whose work I place my gratitude on the record, by announcing a new initiative to help lone parents to improve their skills and qualifications through in-work training--backed, in its original pilot phase, which will start in eight pilot areas in October, by a £10 million investment made by my right hon. Friend the Chancellor.

We are also investing a further £25 million that is needed to enable us to respond to the demands of lone parents with children under five who, although they have not been invited in to the new deal for lone parents, are coming forward and asking to use our services. The extra investment is being made to meet that demand.¹³⁵

¹³² DSS Press Release, *New Deal goes national*, 26 October 1998

¹³³ DfEE Press Release, *New Deal for lone parents to be extended*, 19 April 1998

¹³⁴ DSS Press Notice, 2 July 1997

¹³⁵ HC Deb 19 March 1998 c 1432

The programme for lone parents is voluntary. Those who choose not to take part will currently not face benefit sanctions.¹³⁶ (see The Future below)

Cost and Numbers: A total of £200 million from the windfall tax was initially allocated to the New Deal for Lone Parents over the period 1997-2002.¹³⁷ These figures were revised in the March 1998 Budget:¹³⁸

	July 1997	March 1998
	£ million	£ million
1997-98	0	0
1998-99	40	50
1999-00	50	50
2000-01	60	50
2001-02	60	50

An additional £25 million was allocated in November 1997 to enable lone parents with children under school age to participate in the New Deal if they wanted to do so.¹³⁹

An interim report on the New Deal for Lone Parents published in May 1998 found that:¹⁴⁰

- 23,881 initial letters had been sent out
- 9,932 interviews had been arranged
- 7,740 lone parents had attended interviews
- 6,888 had agreed to participate
- 2,241 lone parents had found jobs following agreement to participate in the programme.

In the longer run, the New Deal for Lone Parents is to be evaluated by a consortium led by Social and Community Planning Research, an independent research institute, together with the Institute of Employment Rights at Warwick University and the University of Bath.¹⁴¹ Outcomes for lone parents in the New Deal areas will be compared with outcomes for a similar, but geographically separate group of lone parents in control areas where the New Deal is not yet operating. These are the Benefit Agency districts of Manchester Central, Glasgow Springburn and Cumbernauld, Blackburn and Accrington,

¹³⁶ HC Deb 8 June 1998 c 467W

¹³⁷ HC 85, July 1997, p 33

¹³⁸ HC 620, March 1998, p 43

¹³⁹ HM Treasury Press Release, *Chancellor sets out plans for jobs, training and childcare*, 25 November 1997

¹⁴⁰ HC Deb 6 July 1998 c 406W

¹⁴¹ HC Deb 7 November 1997 c 376W

Leicestershire North, Wiltshire, and Buckinghamshire.¹⁴² The evaluation is expected to be published in Autumn 1999.¹⁴³

Future On 28 October 1998, Alistair Darling, Secretary of State for Social Security, announced the introduction of a "single gateway" for all new benefit claimants of working age, including lone parents.¹⁴⁴ An initial interview in which employment and training opportunities, in addition to benefit entitlement, will be discussed will be compulsory and failure to attend will result in the loss of benefit.¹⁴⁵ The introduction of benefit sanctions for those who fail to attend will require legislation.

Further reading

1. DSS, *Evaluation of the New Deal for Lone Parents: a preliminary assessment of the 'counterfactual'*, May 1998
2. Education and Employment Committee, *Pathways into work for lone parents*, HC 646 1997-8

¹⁴² Ibid

¹⁴³ HC Deb 4 June 1998 c 315W

¹⁴⁴ HC Deb 28 October 1998 c 399-455

¹⁴⁵ DSS, *A new contract for welfare: the gateway to work*, Cm 4102, October 1998

L. Jobplan Workshops

These are workshops for people who have been unemployed for 12 months or more. They are designed to give individual counselling and help in drawing up an action plan for getting back to work.

Announced: 12 November 1992, at the time of the Autumn Statement. Gillian Shephard, then Secretary of State for Employment, gave details in a Written Answer:

A major point of entry into other opportunities will be the new jobplan workshops to be run by the Employment Service. These will advise and assess the needs of people unemployed for a year or more, principally, those who have not taken up other offers of help open to them. The successful experience of existing Restart courses and job review workshops will be drawn on, but the new workshops will offer more intensive support, from workshop leaders, including one-to-one advice and guidance, new computer-aided guidance and an enhanced action plan. Those completing workshops will have priority access to other programmes. It is expected that around 300,000 people will pass through the programme in 1993-94.

Employment Service advisers will offer places in job plan workshops to all those out of work for a year who have not taken up an offer of help back to work. As is currently the case with Restart courses offered to people unemployed for two years those who do not take up places offered to them may lose their benefit for a period of time. The social security advisory committee will be consulted shortly about the benefit for non-attendance in these circumstances.¹⁴⁶

Started: 29 March 1993.¹⁴⁷

Eligibility: Jobplan Workshops are available for people over the age of 24 and unemployed for more than 12 months. Referral to the programme is mandatory. In 1998-9, Jobplan Workshops are to incorporate elements of the Restart Course which will no longer be delivered as a separate programme.¹⁴⁸

Details: The Workshops are run by specialist organisations from the private, public and voluntary sectors under contract to the Employment Service. Jobplan is a five day programme of individual assessment, job search guidance and confidence building. Those leaving Jobplan Workshops have priority access to Work Based Training for Adults.

Cost and Numbers: Departmental Reports give the following expenditure and performance figures:

¹⁴⁶ HC Deb 12 November 1992 c 904W

¹⁴⁷ Department of Employment Press Notice, *Jobplan Workshops Boost for 300,000 Long Term Jobless*, 29 March 1993

¹⁴⁸ DfEE, *Departmental Report 1998*, p 105

Jobplan Workshop						
	1993/94 Outturn	1994/95 Outturn	1995/96 Outturn	1996/97 Outturn	1997/98 Estimated Outturn	1998/9 Plans
Expenditure (£ million)	27.8	24.5	17.1	15.2	9.8	8.0
Opportunities (000s)	301	248	165	144	86	67
Positive outcomes (000s)	259	99	144	58	34	26

Prior to 1994/95 the term positive outcome refers to a *referral* to a job, training or other ES programmes etc. Since then it refers to a *start* on one of these options.

Figures for 1998/9 include provision delivered through Programme Centres (see Section O)

Further Reading

1. DVL Smith Ltd, *Jobplan and 12 month Flow Evaluation: Research Report*, for the Employment Service, May 1994
2. A Birtwhistle, *Jobplan Evaluation: Summary of Findings*, Employment Service Research and Evaluation Report No 100, December 1994
3. *Unemployment Unit Working Brief*, "Compulsion is not working", February 1996

M. Jobfinder Plus

A series of one to one interviews with a personal adviser to identify the best means of helping claimants move to sustainable employment. Jobfinder Plus replaced the Jobfinder advisory caseload programmes and 1-2-1 from June 1998.

Announced: There was no specific announcement of the Jobfinder Plus programme. Brief details and the date of introduction were included in the DfEE departmental report for 1998-9.¹⁴⁹

Started: June 1998

Eligibility: Unemployed people aged 25 and over who have been unemployed for eighteen months.

Details: Jobfinder Plus is a one off series of mandatory interviews with an adviser. It is intended to offer a transition to New Deal for the Long-Term Unemployed provision if the claimant remains unemployed six months later. The interviews are intended to help:

- identify realistic and achievable goals
- identify and agree actions to improve potential linked to job goals
- provide continuing support, mentoring and guidance

Costs and numbers: Planned expenditure on Jobfinder Plus for 1998-9 is £5 million for a planned 69,335 places.¹⁵⁰ Provision will be affected in the New Deal pilots for the Long-term Unemployed as these offer provision to the same client group. It is unclear whether Jobfinder plus will operate beyond April 1999 or if it will be subsumed into extended New Deal provision.

¹⁴⁹ p 105

¹⁵⁰ figures provided by the Adjudication and Advisory Policy section of the Employment Service

N. Job Clubs

Job Clubs help people who have been unemployed for 6 months or more to find jobs as efficiently as possible, by providing guidance and training in job search, including telephone and interview skills, preparation of a CV and free use of directories, telephones, stationery etc. They continue to be delivered in their existing format in some parts of the country. In others they have become part of the modularised Programme Centre provision (see Section O)

Started: On a pilot basis in Durham and Middlesborough in November 1984. The number grew during 1985/6 and a major expansion was announced by Lord Young, then Secretary of State for Employment, on 9 October 1986:

A major expansion in the number of Jobclubs from 250 at present to 1,000 by March 1987 and, if the need continues, to 2,000 by September 1987. Jobclubs are self-help groups with expert help and free facilities to members looking for work. Two out of three people leaving Jobclubs go into work, the average stay is 5 weeks, and the average number of members is 30. For the first time the private sector will be invited to help run Jobclubs.

Turning to the planned expansion in Jobclubs of up to 2,000 over the next twelve months Lord Young said: "Jobclubs are a great success story. They help unemployed people find jobs for themselves by providing free telephones and postage and expert help in writing job applications. Two-thirds of people leaving Jobclubs go into employment. That record speaks for itself. And that is why we are going for a big expansion."¹⁵¹

Eligibility: People aged 18 or over who have been unemployed for 26 weeks though the numbers of young people aged 18-24 will be reduced because of New Deal provision. Certain groups (eg people with disabilities, the victims of large-scale redundancies, labour market returners etc.) can gain immediate entry. Rights to benefit are not affected while attending the Clubs. Travel costs to the Job Club are re-imbursed.

Administration: The Clubs are usually run by specialist providers under contract to the Employment Service. Job Club leaders help with compiling CVs, completing application forms, and improving interview and telephone techniques. Those attending have free use of telephones, stationery, photocopiers, directories, trade magazines etc. There are some specialist Job Clubs to help disadvantaged people such as former detainees and those nearing release from prison. There are also some Executive and Management Job Clubs.

¹⁵¹ Department of Employment Press Release, *New Help for Six Months Unemployed*, 9 October 1986

Duration: Participants are normally expected to attend on 4 half days a week. The average length of stay is about 12 weeks. The maximum length of stay is established in each area and is normally between 4 and 6 months.¹⁵²

Costs and Numbers: Provision in 1998/9 has been affected by the introduction of the New Deal and Programme Centres. In a letter responding to a Parliamentary Question from Graham Brady MP on 2 March 1998, Leigh Lewis, Chief Executive of the Employment Service, said that in planning programme provision for 1998/9 the number of Jobclub places was likely to be reduced by 15% because of the New Deal and the fall in unemployment.¹⁵³ On the 7 April 1998, the Government announced its plans for funding of Job Clubs over the next three years:

Mr. Webb: To ask the Secretary of State for Education and Employment what are his plans for funding the activities of job clubs over the next three fiscal years; and how these have been affected by the New Deal programme. [37470]

Mr. Alan Howarth [holding answer 2 April 1998]: Responsibility for the subject of the question has been delegated to the Employment Service agency under its Chief Executive. I have asked him to arrange for a reply to be given.

Letter from Leigh Lewis to Mr. Steve Webb, dated 7 April 1988:

The Secretary of State for Education and Employment has asked me to reply to your question on the funding of Jobclubs over the next three fiscal years and how this has been affected by New Deal. This is something which falls within the responsibilities delegated to me as Chief Executive of the Employment Service.

Our planned expenditure on Jobclubs will be £24 million in each of the next three fiscal years.

In some areas we have also been looking at the advantages of combining some of our programmes, such as Jobclub and Jobplan, and delivering them through Programme Centres, which provide a one stop shop with greater scope for the more efficient use of resources and individualised packages of help for people.

The funding allocated to Jobclubs and Programme Centres reflects the likely demand among those people aged 25 and over who have been unemployed for six months or more. This takes account of the fact that many young people who might previously have depended on this provision will now be able to take advantage instead of the much more extensive extra help provided by New Deal.

My District Managers have recently undertaken a consultation exercise with local New Deal partners, with regard to our mainstream programmes, to determine which types of provision will be most effective to meet the needs of

¹⁵² Murray et al, *Unemployment and Training Rights Handbook*, Unemployment Unit 1997 edition, p 223

¹⁵³ HC Deb 2 March 1998 c 479W

each locality. Where local partnerships decide that Jobclub or Programme Centre places should form part of the New Deal Gateway, they can purchase additional places on these programmes using New Deal funding.

I hope this is helpful.¹⁵⁴

Departmental Reports [see Part III 1-3, below] measure Job Club performance primarily by their success in getting people into jobs:

Jobclubs						
	1993/94 Outturn	1994/95 Outturn	1995/96 Outturn	1996/97 Outturn	1997/8 Estimated Outturn	1998/9 Plans
Opportunities (000s)	249	266	240	189	132	Not given
Job starts (000s)	106	115	96	78	62	Not given
Expenditure (£m)	40.8	42.7	42.2	34.7	30.0	Not given

Planned provision for 1998/9, including Programme Centres and Jobplan, is 210,000 opportunities at a cost of £32.1 million.¹⁵⁵

Further Reading

1. Michael White, Steve Lissenburgh and Alex Bryson, *The Impact of Public Job Placing Programmes*, Policy Studies Institute, 1997

¹⁵⁴ HC Deb 7 April 1998 c 226W

¹⁵⁵ DfEE, *Departmental Report 1998*, p 98

O. Programme Centres

These offer a series of modules in place of fixed length courses. Where they exist, Programme Centres have replaced all mandatory and voluntary jobseeker programmes.

Announced: There was no official announcement of the Programme Centre pilots. In a letter to Steve Webb MP in response to a parliamentary question on Job Club provision, Leigh Lewis, Chief Executive of the Employment Service, stated:

In some areas we have also been looking at the advantages of combining some of our programmes, such as Jobclub and Jobplan, and delivering them through Programme Centres, which provide a one-stop shop with greater scope for the more efficient use of resources and individual packages of help for people.

The funding allocated to Jobclubs and Programme Centres reflects the likely demand among those people aged 25 and over who have been unemployed for six months or more. This takes account of the fact that many young people who might previously have depended on this provision will now be able to take advantage instead of the much more extensive extra help provided by New Deal.

My district managers have recently undertaken a consultation exercise with local New Deal partners with regard to our mainstream programmes, to determine which types of provision will be most effective to meet the needs of each locality. Where local partnerships decide that Jobclub or Programme Centre places should form part of the New Deal Gateway, they can purchase additional places on these programmes using New Deal funding.¹⁵⁶

Started: Programme Centres were piloted in eight locations throughout Great Britain during 1997/8.¹⁵⁷ They have operated nationally since April 1998 and there is now "at least one Programme Centre in the vast majority of Employment Service districts". The Employment Service continue to offer the traditional programmes, such as Jobclub and Jobplan, as separate initiatives in areas where there is no Programme Centre.

Eligibility: ES personal advisers will refer claimants to Programme Centres and will agree with the claimant which modules they should attend. The modular approach means that claimants unemployed for different periods may attend the same courses. However the eligibility criteria for the courses that have been integrated to form Programme Centres will mean that most claimants will have been unemployed for at least six months. District managers have discretion to allow referrals of claimants from 13 weeks but priority will be given to those of longer duration.¹⁵⁸ The *Social Security Jobseeker's Allowance (Amendment)(No 2) Regulations 1998* amend Regulation 75 of the main

¹⁵⁶ HC Deb 7 April 1998 c 226W

¹⁵⁷ DfEE press release, *New Government initiative gets more people off benefit*, 11 November 1998

¹⁵⁸ DfEE, *Departmental Report 1998*, p 97

Jobseeker's Allowance regulations to include Programme Centres as an Employment Programme from 1 December 1998.¹⁵⁹ This allows for compulsory referrals to Programme Centres by ES advisers.

Details: Each centre delivers individual modules adapted from existing programmes. These cover various aspects of job search and guidance. Each Programme Centre has a resource area where eligible participants can apply for jobs and use telephones, word processors and free stationery. Claimants agree a set of modules with their personal advisers and these are to be tailored to the individual's needs.

Costs and numbers: Planned provision for Programme Centres, Jobclub and Jobplan in 1998/9 is for around 210,000 opportunities at a cost of £32.1 million.¹⁶⁰

Further Reading

1. "Modular jobsearch programmes being piloted", Unemployment Unit *Working Brief*, August/September 1997
2. Employment Service, A final report on the evaluation of Programme Centres, 1998

¹⁵⁹ SI 1998/1698 - these regulations also abolish Jobfinder and 1-2-1

¹⁶⁰ DfEE, *Departmental Report 1998*, p 98

P. Travel to Interview

A scheme which assists unemployed people to attend job interviews which are beyond normal daily travelling distance. It replaced the Job Search Scheme, the Employment Transfer Scheme and the Free Forward Fares Scheme in 1986.

Announced: On a national basis, 13 June 1986, by the Manpower Services Commission:

More people will get financial help with travel costs incurred when going to job interviews, the Manpower Services Commission announced today.

A new scheme - the Travel to Interview Scheme - starts on Monday 16 June following a successful 'pilot' in the Northern Region during the past year where it was found to be a simpler scheme to operate and a more cost effective way of helping people in their search for work. It is anticipated that some 18,000 people will take advantage of the nationwide scheme.

Designed to help unemployed people with the costs of attending job interviews outside their home areas, the £500,000 Scheme replaces the Job Search Scheme and the main differences in the rules are:

- the local labour market rule will no longer apply as the new scheme is not tied to filling skill shortage vacancies;
- assistance is limited to people who have been unemployed for at least four weeks before the date of the job offer;
- no subsistence rates are paid.¹⁶¹

Started: 16 June 1986, following a pilot in the Northern region.

Eligibility: The rules were changed from 1 April 1996 so that the scheme applies to people who have been unemployed for 13 weeks or more and are claiming benefit. Previously the qualifying period of unemployment was 4 weeks. The Employment Service will pay travel expenses for those who are invited to interview by employers beyond normal daily travelling distance. Claims for travel expenses must be made in advance. The job should be for more than 30 hours a week and expected to last for 12 months or more but "a more realistic interpretation" of this condition will now be adopted. Assistance can now be given for second and subsequent interviews. There used to be an upper salary limit of £25,000 on the job applied for, but this was removed in 1996.¹⁶² The Travel to Interview

¹⁶¹ MSC Press Notice, 13 June 1986

¹⁶² HC Deb 20 February 1996 c 121W

scheme forms part of the help with travel costs for those on the various New Deal programmes. Other arrangements vary from area to area but a number of local bus and rail companies have agreed reduced fares for those on the New Deal.¹⁶³

Costs and Numbers: Departmental Reports [see Part III 1-3, below] provide the following figures for the Travel to Interview Scheme:

Travel to Interview Scheme				
	1995-6 Outcome	1996-7 Outcome	1997-8 Estimated Outcome	1998-9 Planned
Expenditure (£ million)	1.8	1.5	1.3	1.0
Numbers helped (000s)	47	38	32	25

Further Reading

1. C Bryson, *Travel to Interview Scheme*, Public Attitudes Survey for the Employment Service, July 1995

¹⁶³ HM Treasury press release, *Geoffrey Robinson unveils cheap coach and bus fares for the young unemployed looking for work*, 30 March 1998

Q. Job Interview Guarantee Scheme

A programme designed to help people unemployed for 6 months or more into work by obtaining employers' agreement to guarantee interviews in return for enhanced services from the Employment Service.

Announced: 9 March 1989 as one of the new initiatives to mark the first anniversary of the Action for Cities programme. Norman Fowler, then Secretary of State for Employment, gave details in a Press statement:

Announcing the initiative, Mr Fowler said "With job opportunities increasing in inner cities and elsewhere, and with the numbers of school-leavers entering the job market falling drastically over the next few years, it is sensible that employers should be more and more willing to consider long term unemployed people for their vacancies. The Job Interview Guarantee will help employers choose the right people for the right jobs.

The initiative will initially be offered in 20 Inner City areas and will be available from the Spring. It will link the assistance already offered by jobclubs and the Employment Service with new measures. These will include a Job Preparation Course, similar to the current Restart course model but with employers involved in tailoring the course content to meet their specific needs. 'Work Trials' will offer short periods of work experience with potential employers to the unemployed whilst they remain on benefit, allowing employers to reassure themselves about employing people who have been out of work for some time.

In return for this enhanced service, employers will enter into formal agreements with the Employment Service in which they guarantee to interview Job Interview Guarantee clients for the vacancies they have available.

Mr Fowler said, "This initiative is intended for people who are ready for employment. However there may be some who, through a work trial, will realise that they have training needs that Employment Training might meet. For those people, training under ET, tailored to employer's needs can be made available.¹⁶⁴

Started: On a pilot basis, in 20 inner city areas, from September 1989. It became a national programme from April 1991.¹⁶⁵

Eligibility: People aged 18 or over who have been unemployed for 26 weeks or more. Certain groups (eg people with disabilities, labour market returners) qualify for immediate entry.

¹⁶⁴ Department of Employment Press Notice, 9 March 1989

¹⁶⁵ HC Deb 2 November 1994 c 1126W

Administration: JIG originally contained five components, any combination of which may be used in a particular case:

- Matching and Screening - to make sure the employer only sees a small selection of suitably qualified candidates.
- Customised Training - the Employment Service brings together employers and TECs to provide courses tailored to the employer's needs. Benefit plus £10 is paid to those on these courses.
- Job Preparation Courses - a one week course preparing the unemployed person for the guaranteed interview.
- Adopted Job Clubs - the employer agrees to interview all suitable applicants from a particular Job Club.
- Work Trials - a trial period of up to 15 days during which both parties (employer and employee) can determine how suitable they are to each other's needs. Benefit continues to be paid during the trial period. In addition, meal and travel expenses up to a limit, are covered.

Work Trials are now identified as a separate scheme [See Section R below] In 1996/97, the menu of JIG options was confined to the first three listed above. The training courses ended in 1996/97 and JIG became virtually confined to the matching and screening service. For this reason, no expenditure figures were included for 1997/98 and beyond in the 1997/8 Departmental Report. JIG is not mentioned in the 1998/9 Departmental Report but it has not yet officially been discontinued.

R. Work Trials

A programme aimed at people who have been unemployed for six months or more. They can continue to receive benefit plus an allowance for travel and meal expenses during a three week trial period in a new job.

Announced: Originally, as part of the Job Interview Guarantee Scheme, on 9 March 1989 [see Section Q above].

Details: See Section Q above.

Cost and Numbers: The DfEE Departmental Reports published in March 1996, March 1997 and April 1998 contain the following expenditure and performance figures for Work Trials:¹⁶⁶

Work Trials (England)					
	1994/95 outturn	1995/96 outturn	1996/97 outturn	1997/98 estimated outturn	1998/9 plans
Expenditure (£ million)	1.1	1.8	1.5	0.9	0.8
Opportunities	17,900	29,430	28,118	23,010	20,000
Placings	11,600	17,310	16,890	13,648	10,000

Further Reading

1. DVL Smith Ltd, *Evaluation of Work Trials - Employer Survey*, November 1993, for the Employment Service
2. Institute for Employment Studies, *Work Trials Employer Study*, 1997
3. Michael White, Steve Lissenburgh and Alex Bryson, *The Impact of Public Job Placing Programmes*, Policy Studies Institute, 1997. [This found Work Trial to be one of the most successful labour market programmes ever at moving people from welfare to work]

¹⁶⁶ Cm 3210, Table 8.6, Cm 3610, Table 8.8, Cm 3910, Table 3.9

S. Jobfinder's Grant

A scheme which pays long term unemployed people who find full-time work a discretionary one-off grant to help them with the expenses of starting work. It is intended to encourage them to take jobs they would not otherwise have taken.

Announced: 30 November 1993. In a statement following the Budget, David Hunt, then Secretary of State for Employment announced three pilots designed "to give particular assistance to people who have been unemployed for a long time in their search for work". One of the pilots was:

- the Jobfinder's Grant, giving assistance to people who have been out of work for two years or more when they find a job.¹⁶⁷

Started: On a pilot basis, on 7 February 1994. Extended nationally, following an announcement in the Budget on 29 November 1994, on 18 April 1995.

Details: The original pilot scheme provided a grant to people who had been unemployed for two years or more who found a full-time permanent job paying less than £250 a week. The grant was piloted at two levels:

- £100 in the West Midlands areas of Birmingham, Dudley, Sandwell, Wolverhampton and Walsall; and
- £200 in the East Midlands region, covering Derbyshire, Leicestershire, Lincolnshire, Nottinghamshire, Cambridgeshire, Northamptonshire, Norfolk and Suffolk.¹⁶⁸

4,708 grants were awarded under these pilots.¹⁶⁹

The national scheme pays a grant of £200 to people who have been unemployed for two years who find a full time job paying up to £150 a week.¹⁷⁰ There is a savings limit of £2,800.¹⁷¹ If the recipient fails to start work or leaves during the first twelve weeks, they will be asked to repay the grant.¹⁷²

Between 1995 and April 1997, two further pilots were included within the national scheme. The pilot in the South West tested the use of a grant varying in size with the length of unemployment. The levels were £100 at 2 years, £200 at 3 years and £400 at 4 years or

¹⁶⁷ Department of Employment Press Notice, *New Jobseeker's Allowance will focus help on those in need* - David Hunt, 30 Nov. 1993

¹⁶⁸ Department of Employment Press Release, *Employment Service pilots cash help for jobfinders*, 7 February 1994

¹⁶⁹ Department of Employment Press Release, *Jobfinder's grant goes national*, 18 April 1995

¹⁷⁰ Ibid

¹⁷¹ HC Deb 7 November 1995 c 842-3W

¹⁷² ES Adviser Guidance, *Jobfinder's Grant*, April 1997, Circular 331/5, para 31

more.¹⁷³ The other, which started on 22 May 1995, was in Yorkshire and Humberside. This allowed the Employment Service discretion to set the level of the grant between £100 and £400. It also tested a higher wage limit of £250, certain types of self employment and jobs lasting less than 30 hours a week but more than 16.¹⁷⁴ The savings limit in these pilot areas was £2,600.¹⁷⁵

In a written answer on 2 March 1998, Andrew Smith Minister of State at the DfEE, confirmed that Jobfinder's Grants remain available to those over the age of 25 who have been unemployed for more than two years.¹⁷⁶ Each New Deal partnership has the discretion to provide grants to very long-term unemployed people aged 18-24.

Costs and Numbers: The DfEE Departmental Reports published in March 1997 and April 1998 gave the following expenditure and performance figures for Jobfinder's Grant:¹⁷⁷

Jobfinder's Grant					
	1994/95 Outturn	1995/96 Outturn	1996/97 Outturn	1997/98 Estimated Outturn	1998/99 Plans
Expenditure (£ million)	0.7	2.3	3.4	4.0	2.0
Number of Grants	4,700	12,380	17,300	16,500	10,000

Tax Status: Exempt from tax.¹⁷⁸

Further Reading

1. Peter Dickinson and Steve Broome, *Jobfinders' Grant Evaluation Study: Final Report*, The Research Partnership, February 1998

¹⁷³ Employment Service, *Jobseeker's Allowance Manual, Product Knowledge* volume, section 30, Appendix 9, *Jobfinder's Grant*, para 2

¹⁷⁴ Dept of Employment Press Notice, 18 April 1995

¹⁷⁵ HC Deb 7 November 1995 c 842-3W

¹⁷⁶ HC Deb 2 March 1998 c 478W

¹⁷⁷ Cm 3610, Table 8.14 and Cm 3910, Table 3.14

¹⁷⁸ Inland Revenue Press Release, *Tax Treatment of Work Incentives: Government Pilot Schemes and Jobfinder's Grant*, 28 November 1995

T. National Insurance Contributions Holiday

From April 1996, employers have been able to claim a full national insurance rebate for up to a year after taking on someone who has been unemployed for two years or more. Legislation permitting these deductions is contained in the *Jobseeker's Act 1995* and the *Employer's Contributions Re-imbusement Regulations 1996 SI No 195*.

Announced: 29 November 1994. In his Budget statement, Kenneth Clarke said:

The first step is to encourage employers to look more favourably on people who have been out of work for some time. I can announce, therefore, a wholly new incentive to encourage employers to take on more people who have been unemployed for two years or more. In future, employers will get a full national insurance rebate for up to a year after taking on such a person. That will provide employers with an important new reason to give a second chance to someone who has been unemployed for some length of time--*[Interruption.]* Yes, but the Opposition were very late on the scene on which we have been working for a long time and they have got most of it wrong. I am going to announce a package which will show the Opposition how to do it.

This first whole-year national insurance contribution holiday will run from April 1996.¹⁷⁹

Costs and Numbers: It was originally expected that 130,000 people a year would be helped by this measure and that employers would save up to £50 million.¹⁸⁰ However, take-up has been lower than expected. By 6 January 1997, there had been only 2,718 applications, of which 2,312 had been successful.¹⁸¹ The Government therefore decided to reduce the 1996/97 budget for the scheme from £28 million to £1.5 million.¹⁸² The provisional expenditure total for 1996/7 was less than half this amount at £0.7 million, with an expected 4,000 beneficiaries.¹⁸³ On 30 November 1998, the Government announced that the scheme will be closed down from 1 April 1999 except for holidays which are already in place.¹⁸⁴

Further Reading

1. Dawn Snape, *Recruiting long-term unemployed people: employers views of the National Insurance Contributions holiday scheme*, DSS Research Report 76, 1998

¹⁷⁹ HC Deb 29 November 1994 c 1090

¹⁸⁰ Department of Social Security Press Notice, *Alistair Burt announces extra help for job starters*, 2 April 1996

¹⁸¹ HC Deb 15 January 1997 c 258W

¹⁸² HC Deb 15 January 1997 c 257W

¹⁸³ HC Deb 6 February 1998 c 854W

¹⁸⁴ HC Deb 30 November 1998 c 99W

II Training and Employment Schemes since the War

1945 - 1971

It was not until the 1970s that training and employment schemes of the kind we know today were first introduced. In the two decades which followed the Second World War, the Government's "full employment" policy was so successful that unemployment never exceeded 3% and was generally below 2%. Manpower policies were developed in the 1960s to deal with regional imbalances and with skill shortages in particular sectors. For example, the **Regional Employment Premium**, a labour subsidy paid to manufacturers for each worker they employed in Development Areas, was introduced in 1967. The **Industrial Training Boards** with powers to levy employers and make grants to those who provided training of an approved standard, were established under the Industrial Training Act of 1964.

Public help with job search activity can be dated back at least to 1910 when the first public labour exchanges were set up as a means of bringing together employers and unemployed people with a view to cutting out waste in the processes of recruiting workers and of looking for a job. From the outset, labour exchanges had close links with the administration of unemployment insurance and, by the 1960s, a large network of local offices of the Ministry of Labour dealt with both employment and benefit work. On the employment side, the service had a reputation for dealing with poorly motivated people and with vacancies in predominantly unskilled occupations. The late 1960s saw a growing interest in manpower policies and there was concern about shortage of labour as a constraint on economic growth. In 1971, the Government published a policy document, "People and Jobs", which recommended the separation of employment work from the administration of benefit to break the "dole queue image" of the employment service. Attractive new Job Centres in prime high street locations would help people find work while Unemployment Benefit Offices (UBOs) would deal with benefit claims. This policy has gradually been reversed since the mid 1980s and the Employment Service now have responsibility for ensuring that claimants meet the "availability for work" and "actively seeking work" criteria under Jobseeker's Allowance. The Labour Government's proposals for a Single Gateway are likely to see the further integration of benefits administration with help to find work.¹⁸⁵

1972

Training Opportunities Scheme (TOPS) - ran from 1972 to 1985 when it was replaced by the Job Training Scheme. The aims of TOPS were to provide training on request from unemployed adults, subject to an economic need for the skills to be taught, to enable adults to change occupations quickly and to promote the concept of adult retraining. Applicants had to be unemployed or willing to give up employment, be at least 19 years of age, and to have spent at least two years away from full-time education. They also had to have a clear

¹⁸⁵ DSS, *A new contract for welfare: the gateway to work*, Cm 4102, October 1998

intention of taking up employment in the training occupation. A weekly allowance was paid.

Community Industry (CI) - started in 1972, on the initiative of the National Association of Youth Clubs. CI provided disadvantaged young people with temporary employment of community benefit in workshops, site projects and through placements with social care organisations. It was aimed at the least able 16-19 year olds who fell outside the scope of YTS. Participants received a weekly wage which increases with age. They were normally on the scheme for 12 months. The role of CI changed with the expansion of the Youth Training Scheme and the transfer of responsibility for training to the Training and Enterprise Councils. It became a training provider under YT and merged with the Rathbone Society in 1995 to provide training for people with special needs.

1973

Job Centres - the first Job Centre of the type proposed in "People and Jobs" opened in Reading in May 1973. In the following three years a network of Job Centres separate from the UBOs was established. However, in 1987, the Government announced that the job-finding services of the Job Centres were to be re-integrated with the benefit administration and "policing" functions of UBOs. The two services have now been amalgamated under the Employment Services Agency and the 1200 offices operating throughout Great Britain were "progressively integrated to provide clients with a complete range of services under one roof." [Employment Service Operational Plan 1992-1993].

Professional and Executive Recruitment - in 1973 the Department of Employment's Professional and Executive Register was restyled as Professional Executive Recruitment, delivered by separate management and charging fees to employers. It provided specialised recruitment services for professional, technical, scientific, supervisory and managerial vacancies. In September 1988, PER was privatised and sold to Pergamon Professional and Financial Services plc for £6 million.

1975

Temporary Employment Subsidy (TES) - ran from August 1975 to March 1979 when it closed to new applications. The objective was to encourage companies to defer threatened redundancies, affecting ten or more workers. The scheme offered a £20 a week subsidy for a maximum of 12 months for each full-time job maintained.

Job Creation Programme (JCP) - ran from October 1975 to December 1977 when it closed to new applicants. JCP provided full-time, paid work for up to twelve months on projects of benefit to the local community. Priority was given to those aged 16-24 and to those aged over 50. Participants received the normal local wage rate for the job up to a defined maximum.

Recruitment Subsidy for School Leavers (RSSL) - ran from October 1975 to September 1976. The scheme applied to school leavers in the Summer of 1975 and December 1975.

The aim was to encourage private sector employers and the nationalised industries to give preference to unemployed school leavers when recruiting staff. Employers were paid a subsidy of £5 per head per school leaver recruited, for a maximum of 26 weeks.

1976

Work Experience Programme (WEP) - ran from September 1976 to April 1978 when it was incorporated in the Youth Opportunities Programme. Employers were asked to give unemployed 16-18 year olds a practical introduction to working life for a minimum of 6 months. The young people were paid a weekly allowance.

Youth Employment Subsidy (YES) - ran from October 1976 to March 1978. A subsidy of £10 per week for up to 26 weeks was paid to any private sector or nationalised industry employer who recruited a young person (under 20 on 1.10.76) who had been registered as continuously unemployed for 6 months or more.

1977

Job Release Scheme (JRS) - the full-time Job Release Scheme started in January 1977 and closed to new entrants in January 1988. The part-time scheme started in October 1983 and closed in May 1986. The purpose of the scheme was to encourage older people to retire early by paying them an allowance, provided they thereby released a job which was filled by an unemployed person.

Small Firms Employment Subsidy (SFES) - ran from July 1977 to March 1980 when it closed for new applicants. Small manufacturing firms in the private sector (originally only in Special Development Areas) were offered a subsidy of £20 per week for up to 26 weeks for each extra full-time job they created. There was a part-time scheme as well.

1978

Youth Opportunities Programme (YOP) - ran from April 1978 to September 1983 when it was replaced by the Youth Training Scheme. It provided a programme of up to 12 months work experience and training for unemployed school leavers aged 16-18. A weekly allowance was paid.

Special Temporary Employment Programme (STEP) - ran from April 1978 to March 1981, when it was replaced by the Community Enterprise Programme. Provided the long-term unemployed with temporary work of community benefit. Aimed at over 25s unemployed for at least 12 months and those aged 19 to 24 unemployed for at least 6 months.

Short-Time Working Compensation Scheme for Textile, Clothing and Footwear Firms - ran from May 1978 to March 1979 when it closed to new applicants and was subsumed in the Temporary Short Time Working Compensation Scheme. The scheme aimed to encourage employers in these industries to adopt short-time working instead of making

people redundant. For a maximum of 12 months, employers were re-imbursed 75% of normal wages paid to those working short-time instead of redundancy.

Adult Employment Subsidy (AES) - ran from August 1978 to June 1979 in a few pilot areas. Employers in private industry and the nationalised industries received £20 per week subsidy for up to 26 weeks for every person they took on aged 19-64 (59 for women) who had been registered unemployed for 12 months or more.

1979

Temporary Short Time Working Compensation Scheme (TSTWCS) - ran from April 1979 to March 1984. The scheme was designed to encourage employers to adopt short-time working as an alternative to redundancy. Under the scheme, employers received 50% of normal wages paid to staff working short-time for up to nine months.

1981

Community Enterprise Programme (CEP) - ran from April 1981 to September 1982 when it was incorporated in the Community Programme. Provided temporary employment of benefit to the Community for the long-term unemployed with a view to improving their prospects of obtaining permanent employment. Aimed at over 25s unemployed for at least 12 months and those aged 18 to 24 unemployed for at least six months.

1982

Young Workers Scheme - ran from January 1982 to April 1986, when it was replaced by the New Workers Scheme. The aim of the scheme was to improve the competitive position of young people in the labour market in order to "price" them into jobs. Employers were paid a subsidy of £15 a week for each young person aged 18 in their first year of employment, and earning under £50 a week.

Voluntary Projects Programme (VPP) - ran from August 1982 to September 1988 when it was replaced by Employment Training. The projects offered unemployed people an opportunity to undertake constructive activities on an informal, part-time basis. Participants remained on benefit. The Manpower Services Commission funded some of the running costs and waged posts of the sponsors who were usually voluntary organisations.

Community Programme (CP) - ran from October 1982 to September 1988 when it was replaced by Employment Training. Provided certain unemployed people over 18 with up to a year's temporary full - or part-time work on projects of benefit to the Community. Participants aged 18-24 had to have been out of work for 6 of the previous 9 months. Those aged 25 or over had to have been unemployed for 12 of the previous 15 months. From October 1984, most participants had to have been in receipt of unemployment benefit. Participants were paid a wage (the rate for the job) up to an average of £67 a week.

1983

Job Splitting Scheme - ran from January 1983 to April 1987 when it was replaced by Jobshare. Employers were paid a grant (originally £750) if they split a job which had previously been full-time and filled it with two unemployed workers or two employees facing redundancy.

Enterprise Allowance Scheme (EAS) - ran, nationally, from August 1983 to 1990-91 when it was gradually replaced by the Business Start Up Scheme run on a more flexible basis by the Training and Enterprise Councils (TECs). Originally the scheme provided an allowance of £40 a week for up to a year for people who had been unemployed for at least 8 weeks and who wanted to start their own businesses. Claimants had to be aged 18-65 and have access to £1000 capital.

Youth Training Scheme (YTS) - ran from September 1983 to May 1990 when it was replaced by Youth Training. YTS was a programme of training and planned work experience for 16 and 17 year old school leavers. It started as a one year programme but was substantially revised and became a two year programme in April 1986. Trainees were paid an allowance of £29.50 a week in their first year and £35 a week in their second year.

1984

Job Clubs - see Part I

1985

Job Training Scheme (JTS) - ran from July 1985 to September 1988 when it was replaced by Employment Training. The scheme provided training for unemployed people, mainly through off-the-job courses at Skill-centres and further education colleges. The courses lasted from 3 to 12 months and trainees received an allowance of £38 a week if single or £62.70 if they had an adult dependant. Trainees had to be 18 or over and to have been away from full-time education for at least two years.

Wider Opportunities Training Programme - ran from July 1985 to September 1988 when it was replaced by Employment Training. The scheme provided typically short-term and part-time training for unemployed people. Training included work preparation, assessment and basic skills training, training in literacy and numeracy, English as a second language and special help for women returners to the labour market. Most trainees continued to receive benefit but a few, on full-time courses, were paid the old Job Training Scheme allowances.

1986

New Workers Scheme - ran from April 1986 to January 1988. The aim of the scheme was to encourage employers to take on more young people at rates of pay which realistically reflected their age and inexperience. Employers were paid £15 a week for up to a year for each eligible young person they took on. Young people aged 18 or 19 had to be paid a wage

below £55 a week and those aged 20, a wage below £65. The young people had to be in their first year of employment.

Jobstart - ran from July 1986 to February 1991. Under the scheme, people who had been unemployed and claiming benefit for at least 12 months could receive an allowance of £20 a week for up to 6 months if they took a full-time job with gross pay of under £90 a week. A pilot "50-Plus Jobstart" scheme, launched in June 1989, allowed qualifying people aged 50 or over to receive the allowance if they took a part-time job for at least 10 hours a week at an hourly rate of £2.57 or less.

Travel To Interview Scheme - see Part I

Restart Courses - ran from July 1986 to 1998-9 when they were merged with Jobplan Workshops. The courses ran for two weeks and claimants were compulsorily referred by ES advisers. They consisted of courses to boost confidence and help with job search activity. The courses targeted people aged 18 and over who had been unemployed for more than 24 months. Participants received their normal benefit entitlement.

Career Development Loans - see Part I

1987

New Job Training Scheme - ran, on a national basis, from April 1987 to September 1988 when it was replaced by Employment Training. The scheme provided full-time training and work experience for an average of 6 months to people who had been unemployed for 6 months or more. Priority went to 18-25 year olds. Trainees received an allowance of £25 a week or the equivalent of their benefit, whichever was the higher. From April 1988 a training premium of £10 a week was paid on top of this.

Jobshare - ran from April 1987 to December 1991 when it closed to new applicants. Under the scheme, employers who created part-time jobs for unemployed people could qualify for a grant of £1000 towards administration and training costs. Jobs could be created by splitting an existing full-time post; combining regular overtime hours into a new job; or creating two new part-time jobs. The jobs had to be filled by people claiming unemployment benefit, under notice of redundancy or leaving Government training schemes such as Employment or Youth Training.

1988

Employment Training - ran from September 1988 to 1993, when it was merged with Employment Action to form Training For Work. The programme was aimed primarily at the long term adult unemployed. 18-24 year olds who had been unemployed for 6-12 months were the "guarantee" group and 18-50 year olds who had been unemployed for more than two years were the "aim group". Many other groups (eg anyone unemployed for 6 months or more, aged 18-60; the disabled; people whose first language is not English; certain lone parents; labour market returners) could qualify. The programme provided up to

a year (later up to 2 years in some cases) training, designed to qualify people for work. A training allowance equal to benefit entitlement plus a £10 premium was paid. The scheme was run by the TECs who had a certain amount of flexibility in the details.

1989

Action Credit - pilot scheme introduced in 1989. Allowed benefit claimants who leave Employment Training to work part-time for up to 6 months while continuing to receive Income Support. The earnings are saved and paid as a lump sum when a full-time job is found, or after the part-time job comes to an end. The pilot does not appear to have been very successful and the scheme has been adopted by very few TECs.

Job Interview Guarantee/Work Trials - see Part I

1990

Youth Training - it replaced the Youth Training Scheme as the main programme for unemployed 16 and 17 year olds until April 1998 when it was replaced by Work Based Training for Young People. Youth Training was delivered by training providers under contract to the local Training and Enterprise Council. Trainees qualified for an allowance of £30 per week at the age of 16 and £35 per week at the age of 17. Work Based Training for Young People has contained most of the main characteristics of Youth Training.

Training and Enterprise Councils (TECs) - a network of 82 independent, local, employer-led councils which have been established throughout England and Wales to "promote more effective training by employers and individuals" and "to stimulate enterprise and growth". The first came into operation in April 1990 and the entire network was operational by October 1991. The Government has devolved responsibility for administering the main training schemes (notably Youth Training and Training For Work and any schemes for small business training) to these TECs. It has also given them considerable flexibility in how they run the schemes so it is no longer quite so easy to talk in terms of national "training schemes". The Scottish equivalent are **Local Enterprise Companies (LECs)** of which there are 22.

1991

Training Credits - see Part I, under Work Based Training for Young People

Job Review Workshops - ran from October 1991 to October 1996 when they were replaced by Jobsearch Plus. These workshops were aimed at people from professional, executive and managerial backgrounds who had been unemployed for 13 weeks or more. They lasted about two days and were designed to widen job search by identifying transferable skills and using computer-aided occupational guidance systems.

Job Search Seminars - ran from July 1991 to October 1996 when they were replaced by Jobsearch Plus. The seminars, which covered about four days, were aimed at people who

had been unemployed for 13 weeks or more. They provided help with drawing up CVs, completing application forms and interview skills, and free access resources such as stationery, telephones and photocopying.

Employment Action - ran from October 1991 to 1993 when it was merged with Employment Training to form "Training for Work". The scheme was aimed at 18-60 year olds who had been continuously unemployed for at least 6 months. They received an average of 6 months work on projects of community benefit and help with finding permanent work. Participants received their social security benefit entitlement plus an allowance of £10 a week. The scheme was mainly run by TECs.

Business Start Up (BSUS) - ran, nationally, from about April 1991 to March 1995. It replaced the Enterprise Allowance Scheme as a more flexible form of help for unemployed people who wanted to start their own businesses. It was administered by TECs. The general rule was that people had to be aged between 18 and 59 and unemployed for at least six weeks to qualify. TECs set the level of the allowance which could vary between £20 and £90 a week and last for between 26 and 66 weeks. The scheme was transferred from the Department of Employment to the Single Regeneration Budget in April 1994. From April 1995 there has been no separate financial allocation for BSUS. TECs may join a consortium bidding for SRB money and may use some of the funds they win to run schemes like BSUS but there is no longer a national scheme or national parameters. The TEC Operating Agreement for 1995/96 said that TECs "shall recruit no further participants in 1995/96".

1993

Training for Work (TfW) - ran from 1993, when it replaced Employment Training and Employment Action, until it was replaced by Work Based Training for Adults in April 1998. TfW was the main training programme for the adult unemployed. It was aimed primarily at people aged 18-63 who had been unemployed and in receipt of benefit for 26 weeks or more. Participants received an allowance equal to their previous benefit entitlement and an additional £10 per week. Some participants (about 9%) had employed status and received a wage from an employer.

Community Action (CA) - ran from 1993 to 1996, with recruitment to the programme ceasing on 29 December 1995. This was a programme designed to help people who had been unemployed for at least 12 months back into work by providing part-time work experience on projects of benefit to the local community and assistance with job search. The closure of the programme was announced at the time of the November 1995 Budget [HC Deb 28 November 1995 c 685W and DfEE Press Notice, *Shephard announces £878m more for schools*, 28 November 1995]. Its closure was linked with the introduction of pilot Project Work schemes, though these were not a direct replacement for CA.

Workstart - ran on a pilot basis from July 1993 until it was absorbed into the Project Work pilots which finished in April 1998. It tested the effectiveness of offering employers a job subsidy to take on the long-term unemployed. Employers were paid a subsidy of £60 for six months, falling to £30 for the following six months. The Labour Government increased the

subsidy in the Project Work Pilots to £75 per week for those aged over 25 and unemployed for more than two years. This paved the way for the subsidy element in the New Deal for the Long-term Unemployed.

Learning For Work - operated during the academic year 1993/94. It was announced by Norman Lamont in his Budget on 16 March 1993 [HC Deb c 193]. To qualify, people had to be aged 18-60 and to have been registered unemployed continuously for 52 weeks or more on 1 September 1993. It was run by TECs and LECs and provided full-time vocational courses at local colleges. Participants received an allowance equal to their previous benefit rate. 30,000 starts were planned but take-up was lower than expected.

Jobplan Workshops - see Part I

1994

Workwise/Worklink - ran from 1994 until April 1998. Workwise (Worklink in Scotland) consisted of intensive four week, mandatory courses to help young people aged 18-24 who had been out of work for 12 months or more. The 18-24 year old age group are now covered by the New Deal for Young People.

1-2-1 - ran from April 1994 until June 1998. This programme offered a compulsory series of up to six interviews with an adviser. The interviews were spread over a period during which the unemployed person undertook guided job search activity. Participants were aged 18-24 who had been unemployed for more than 12 months. It was replaced by Jobfinder plus.

Modern Apprenticeships - see Part I

Jobfinder's Grant - see Part I

1995

Accelerated Modern Apprenticeships (aMAs) - This scheme was similar to Modern Apprenticeships but aimed at 18 and 19 year old school leavers. It was announced by David Hunt, then Secretary of State for Employment in a statement on the White Paper, "*Competitiveness: Helping Business to Win*", on 24 May 1994. It was to start from September 1995, but, because of very low take-up (only 400 participants in December 1995¹⁸⁶) was merged with Modern Apprenticeships from April 1996.¹⁸⁷

¹⁸⁶ HC Deb 16 April 1996 c 391W

¹⁸⁷ DfEE Press Notice, *Further expansion of Modern Apprenticeships*, 7 February 1996

Job Match - ran on a pilot basis from April 1995 until 1998/99. The scheme paid participants a £60 per week allowance for six months if they took up part-time work. Job Match was available to claimants who were aged 18-24, and had been unemployed for more than two years.

Career Development Loans Plus - merged with Career Development Loans, April 1998, see Part I

1996

Project Work - ran on a pilot basis from April 1996 until April 1998. The details varied according to the pilot area but generally involved a 13 week period on a range of ES programmes followed by a period of compulsory work experience with private training organisations, and voluntary and charitable bodies. Refusal to attend led to loss of benefit. Participants received an allowance equivalent to benefit plus £10 per week.

National Insurance Contribution Holidays - see Part I

Job Search Plus - ran from April 1996 on a pilot basis and launched nationally from October 1996 to coincide with the introduction of Jobseeker's Allowance. The scheme was a three day course designed to help people who had been unemployed for at least 13 weeks with job search activity. The DfEE Departmental Report for 1998/9 said that the programme would no longer be available nationally from April 1998 but similar provision would be available through Jobclubs and Programme Centres, or "exceptionally as a separate course".¹⁸⁸

1997

Parent Plus/Lone Parent Caseworker Pilot - due to start in April 1997, but absorbed within the new Labour Government's New Deal for Lone Parents. This was a pilot scheme designed to provide lone parents with extra help in finding work. All lone parents claiming income support would be invited for interview and given advice on in-work benefits and childcare. There were to have been eight public sector pilots run by the Employment Service and the Benefits Agency and four private sector pilots. The public sector pilots went ahead, in slightly modified form, in July 1997 as part of the New Deal for Lone Parents.

Contract for Work - due to start in April 1997, but delayed by the General Election in May 1997, and not pursued by the new Labour Government. The Contract for Work pilots would have tested whether the private sector could get unemployed people back into work more efficiently than the public sector.

¹⁸⁸ DfEE, *Departmental Report 1998*, p 103

Workskill - ran on a pilot basis from April 1997. Under the scheme, claimants who had been unemployed for more than six months could study full-time (or part-time in some of the pilots) while retaining eligibility for benefits. The Labour Government expanded the pilots in July 1997 and they became the basis for the full-time Education and Training option under the New Deal for the Long-term Unemployed in 1998.

New Deal for Lone Parents - see Part I

National Traineeships - see Part I

Programme Centres - see Part I

1998

New Deal for the Young Unemployed - see Part I

New Deal for the Long Term Unemployed - see Part I

New Deal Pilots for Unemployed over 25 - see Part I

New Deal for the Disabled - see Part I

Employment Zones - see Part I

Work Based Training for Adults - see Part I

Work Based Training for Young People - see Part I

Jobfinder Plus - see Part I

III Further Reading

Department for Education and Employment Departmental Report, March 1996, Cm 3210

Department for Education and Employment Departmental Report, March 1997, Cm 3610

Department for Education and Employment Departmental Report, April 1998, Cm 3910

DfEE, *TEC & CTE licence and contract documents 1998*

Employment Service Guide - *Jobseeker's Allowance Manual, Product Knowledge Volume*, Section 30 on *Employment and Training Opportunities*

DfEE, *Training and Enterprise Councils: Contacts and Addresses*

DfEE booklet, *Just the Job*, April 1997

Iain Murray, Clara Donnelly, Matthew Nimmo and Dan Finn, *Unemployment and Training Rights Handbook*, Fifth Edition, 1997

Clara Donnelly, Matthew Nimmo and Paul Convery, *The New Deal Handbook*, Unemployment Unit and Youthaid 1998

DPA (Directory Publishers Association), *The Training & Enterprise Directory 1997*, TEC National Council and the Industrial Society

Employment Service Internet site: www.employmentservice.gov.uk