



Prime Minister

2

DEPARTMENT OF TRANSPORT  
2 MARSHAM STREET LONDON SW1P 3EB

MUS 22/12

The Rt Hon Norman Tebbit MP  
Secretary of State for Employment  
Department of Employment  
Caxton House  
Tothill Street  
LONDON  
SW1

see AD

21 December 1981

Dear Norma

MB

#### JOB RELEASE SCHEME

Thank you for your letter of 4 December. I am sorry that my previous letter led you to infer that my Department might have been abusing the Job Release Scheme (JRS). *see below.*

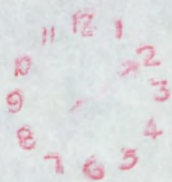
To achieve the manpower savings required in DTp, I have had to restrict recruitment. In the junior non-mobile grades, where releases have mostly occurred, the number of new recruits cannot exceed the number of those who leave (for whatever reason). Thus, what my previous letter sought to describe was a situation in which we may allow job release to an older officer in one part of the Department and use the headroom created by his departure to recruit to another part of the Department. That, as I understand it, is the sort of indirect replacement which is permissible under the present arrangements.

The difficulty is not one of ensuring that each release creates a consequential vacancy, but of demonstrating a clear link between the two, given the wide geographical spread of DTp. The mechanics of having to do so could well prove so cumbersome that we should have to withdraw from the scheme.

David Howell

DAVID HOWELL

21 DEC 1981



Prime Minister

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MUS 19/12  
 Management and Personnel Office  
 Whitehall London SW1A 2AZ  
 Telephone 01-273 4400  
 GTN 273

Chancellor of the Duchy of Lancaster

11 December 1981

The Rt Hon Norman Tebbit MP  
 Secretary of State for Employment  
 Caxton House  
 Tothill Street  
 LONDON SW1H 9NA

Dear Secretary of State,

## JOB RELEASE SCHEME

Thank you for your further letter of 24 November. I have also seen the letters from John Nott, David Howell and Michael Heseltine to you, and from Leon Brittan to me.

As I said in my letter of 10 November, I had intended to recommend to our colleagues that greater use should be made of the Job Release Scheme in the Civil Service as a means of encouraging the retirement of more of the over 60s (there are 52,000 in the Home Civil Service at present) thereby making room for some of the young unemployed. This seemed to be the one option which would ensure that there was a net reduction in the unemployment register, and I hoped that this would commend itself to you. However if you need the savings for the special employment measures for next year and beyond I will not press my objection to your removing the modification. I am glad to note from your letter that the modification will be withdrawn from those other parts of the public service which make use of it so there is no question of the Civil Service being singled out.

This change will reduce considerably the extent to which the Civil Service can participate in the Job Release Scheme. My officials have, however, been in touch with yours in order to identify possible ways in which the Civil Service could continue to play some part under the normal arrangements for the Scheme. I understand that this may be possible when there are redundancies (to which John Nott drew particular attention in his letter of 3 December) and in a situation in which Departments could undertake to recruit replacements among school or college leavers. I will ask my officials to pursue these possibilities as a matter of urgency.

I am copying this to the Prime Minister, members of E Committee and Sir Robert Armstrong.

Yours sincerely,  
  
 Buckley  
 (Private Secretary)

BARONESS YOUNG

Approved by the Chancellor  
 and signed on her behalf.

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74 DEC 1981



JP (2)

Caxton House Tothill Street London SW1H 9N†

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Prime Minister

MUS 22/12

The Rt Hon David Howell MP  
Secretary of State for Transport  
Department of Transport  
2 Marsham Street  
LONDON  
SW1P 3EB

✓cc AD

4 December 1981

D. David.

Thank you for your letter of 24 November about the Job Release Scheme.

You will, I trust, by now have received my reply to Janet Young's letter of 10 November. I hope you will find this gives an adequate account of my reasons for wishing to withdraw the Civil Service modified undertaking.

I am bound to add that I am very concerned that the Department of Transport should be considering using the Job Release Scheme to "mop up" some of your surplus staff. For if staff are surplus, it is difficult to see how there could be an additional vacancy created by their departure on Job Release. My Department has been concerned, for some time, that some Government Departments were regarding the replacement condition as satisfied provided that there were at least as many recruits taken on as there were applicants for Job Release. As you know, this is not sufficient. We must insist that each job release application is accompanied by an additional consequential and related vacancy.

I can understand that the withdrawal of the modified undertaking would make it very difficult for your Department to participate in the Scheme, but my intention is not to exclude Civil Servants if they can satisfy the general rules of the Scheme. Frankly, I am surprised that there has not been a major row over the way in which the rules of JRS have been bent for the Civil Service to the disadvantage of the private sector.



On the other hand the savings from the withdrawal of the modified rule are, as I have said in my original letter to Janet Young, essential if we are to have a new comprehensive training scheme for the young unemployed.

*J. Young*

*Manpower* (2)*Prime Minister**MUS 4/12*

MINISTRY OF DEFENCE WHITEHALL LONDON SW1A 2HB

TELEPHONE 01-218 9000  
DIRECT DIALLING 01-218 2111/3

MO 2/2/6

3rd December 1981

*[Handwritten mark]**Dear boman*JOB RELEASE SCHEME (JRS)

I have seen your letter of 24th November to Janet Young which clarified intentions for the future application of the JRS in the public service. I understand your desire to ensure that funds for such schemes are spent in the most effective way but my view remains that the current modifications to the Scheme for the Civil Service are essential.

Most MOD civilian staff participating in the JRS are Industrials or non-mobile non-Industrials in the lower paid ranks. In these cases there is usually a direct and demonstrable link between the JRS vacancy and the person taken on in consequence, (although we often cannot, as you know, undertake to recruit exclusively from among the registered unemployed). Many of these lower paid staff going out under the JRS thus still qualify for unemployment benefit should they leave before age 65, other than the Scheme, because their Civil Service pensions are below the statutory minimum. To exclude them from the Scheme would not assist your aim of reducing the numbers of registered unemployed.

The Rt Hon Norman Tebbit MP



The general provisions of the Scheme permit the engagement of a person under notice of redundancy to fill a vacancy. I continue to believe that it would be cost effective to extend that provision to encompass people who would become redundant if they do not pick up a vacancy created by the JRS. This is the case in respect of substantial staff surpluses arising from Defence and other reviews and particularly so as regards our trained apprentices. On this aspect, I mentioned in my previous letter that almost 500 apprentices who completed their training with us this year were surplus to our planned requirements. The release of older craftsmen on JRS terms is proving to be a most useful means of reducing this waste of trained young people. I hope that it will be possible to continue to use the valued facility as there are certain to be large surpluses of youngsters coming out of their apprenticeships in the next two years.

I am copying this letter to the Prime Minister, Members of E Committee and Sir Robert Armstrong.

*Yours ever*  
*John*

John Nott



*[Faint red stamp, illegible]*

**F14 DEC 1961**

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*[Faint red stamp, illegible]*

Prime Minister

(2)

rus 4/12  
2 MARSHAM STREET  
LONDON SW1P 3EB



My ref: H/PSO/19060/81

Your ref:

F 2 DEC 81

JOB RELEASE SCHEME

Janet Young sent me a copy of her letter of 10 November urging a reconsideration of your proposal to withdraw the concession which allows the Civil Service and some other public sector employers to replace people released under the Job Release Scheme (JRS) by recruitment from sources other than the unemployment register.

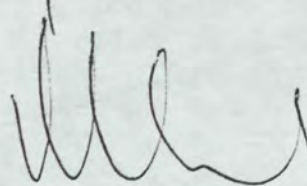
Frankly, so far as the management of DOE is concerned, JRS is of very limited usefulness. We have been able to allow only a handful of releases over the past 2 years and I can offer very little encouragement for Janet's hope that we shall be able to make greater use of it in the future. The problem for DOE, and no doubt for others too, is that we are committed to make substantial manpower savings. I am determined that redundancies here shall be kept to an absolute minimum and I must rely on retirement and other forms of natural wastage to achieve most of my savings. In this respect JRS is not helpful because, although it encourages some over 60s to retire early, we have, even with the present concession, to replace them by a younger person and the effect of that is to slow down the rate of natural wastage. In order to meet my manpower target for 1.4.82, I have had to impose a strict regime of recruiting no more than 1 replacement for every 3 people who leave (by whatever means) and the signs are that the regime will have to be made even stricter if I am to achieve my targets for 1983 and 1984. In this climate, there is not much scope for JRS, and I am personally having to examine every application recommended for support by my Department to ensure that the consequential recruitment which it entails would not jeopardise my capacity to make manpower savings or to reallocate surplus staff. So far as Janet's proposal is concerned, therefore, I would be far more interested in a scheme which would allow the over 60s to retire early without any obligation to replace them. But that is another issue on which I am already in correspondence with her.

My responsibility for other parts of the public sector is mainly confined to local government and the water industry. Although I understand that they are currently allowed some degree of latitude in the way they replace released employees, the operation of JRS is very much a matter for each individual authority and I could not, without launching a major exercise, say to what extent it is used or what the implications of withdrawing the concession might be for them.

For the Department itself, the implications of your proposal might be to lessen even further the extent to which we are able to participate in the Scheme. Given that as yet we have confined our use of JRS primarily to staff in non-mobile grades, the concession does at least enable us to release an older officer from one part of the department, where he might otherwise be made surplus, and to place the consequential recruit in another area where we have an urgent vacancy. Any restriction on this flexibility would present us with considerable problems. Furthermore, DOE (which includes the PSA) employs a wide range of specialist staff in the PTO and scientific grades. Some of those will become eligible for JRS when the age of eligibility for able-bodied men is reduced to 62 next February and I do not think we could expect to be able to replace, for example, a radioactive waste specialist from the ranks of the unemployed. Therefore, unless some concession could continue to be available at least on the replacement of released specialists, we should have to deny them access to the scheme and that would be strongly opposed by our unions.

On the whole I should prefer the concession to be retained. But my department's continued participation in JRS over the next two years must, in any event, be in some doubt.

I am copying this letter to Janet Young and to those who received copies of hers.

Yours ever  


MICHAEL HESELTINE

Prime Minister

(2)

Ms 4/12



Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Baroness Young  
Chancellor of the Duchy of  
Lancaster  
70 Whitehall  
London SW1A 2AS

27 November 1981

2 Jan,

W

Thank you for sending me a copy of your letter of 20 November to Norman Tebbit on the Job Release Scheme. I have also seen John Nott's letter of 12 November, Norman Fowler's of 24 November and Norman Tebbit's reply to you of 26 November.

I very much agree with the view which Norman Tebbit has taken. I do not think that we can continue to justify concessions under the JRS for civil servants at a time of severe financial stringency. Norman is, after all, proposing no more than that the normal rules should apply.

The potential savings from withdrawing the JRS concession are substantial and a necessary offset to the extra expenditure on special employment and training measures which we announced last July and the further provision which we agreed at E on 2 November.

I therefore hope that you will now be able to agree to the proposal. This would avoid the potential need to re-open discussions on the whole of the Employment programme at the eleventh hour. This would otherwise, I am afraid, be inevitable and the consequences generally would be serious and unfortunate.

I am copying this to the Prime Minister, Members of E Committee and Sir Robert Armstrong.

Leon

LEON BRITTAN

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cc A. Duguid  
A. Walters

DEPARTMENT OF TRANSPORT  
2 MARSHAM STREET LONDON SW1P 3EB

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Prime Minister

MUS 24/11

The Rt Hon Norman Tebbit MP  
Secretary of State for Employment  
Department of Employment  
Caxton House  
Tothill Street  
LONDON  
SW1

24 November 1981

Dear Norman

ms

JOB RELEASE SCHEME

Janet Young sent me a copy of her letter of 10 November about the Job Release Scheme (JRS) and your proposal to withdraw the concession which allows government departments and some other public sector employers to replace released people by open competition instead of from the unemployment register.

My Department makes only a modest use of JRS (71 releases over the past two years) and, although I do not have ready access to precise figures, I suspect that much the same can be said of British Rail and other public sector transport employers. Nevertheless, your proposal could, if implemented, present us with some practical problems which might make it hard for us to continue to participate in the scheme.

DTP has a wide geographical spread. In order to achieve manpower savings, we are withdrawing many of our local services, with the result that there are isolated parcels of surplus staff who have to be redeployed elsewhere in the Department. We have been glad to make use of JRS to help mop up some of that surplus

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but, for obvious reasons, we quite often need to place the consequential recruit in a different part of the Department from the post vacated by the released officer. Any measure which might restrict this flexibility would make life very difficult for us indeed. We also employ a wide range of specialist staff (engineers, scientists, driving examiners etc.) for whom replacements could not, necessarily, be found from the unemployment register. Unless some concession could be available for the replacement of specialist staff by open competition, we should have to deny them access to the scheme altogether and that would undoubtedly provoke adverse reactions from the unions.

I hope therefore, that the concession may be continued. I ought to add, however, that, even in this event, the effect of the consequential recruitment requirement on my ability to make manpower savings may anyway be such that I shall have to restrict the use of JRs quite severely in my Department over the next two years.

I am copying this letter to the Prime Minister and others who received copies of Janet Young's.

Yours  
David

DAVID HOWELL

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11 12 1 2 3 4 5 6 7 8 9 10 11 12 2F



Prime Minister

2

Ms 27/11

Caxton House Tothill Street London SW1H 9NAF

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GTN 213

The Baroness Young  
Chancellor of the Duchy of  
Lancaster  
Civil Service Department  
Whitehall  
LONDON SW1

24 November 1981

ms

R. Janet,

JOB RELEASE SCHEME (JRS)

Thank you for your letter of 10 November. I have also seen John Nott's letter of 12 November.

I think there may be some misunderstanding since I am merely proposing that the public service should be bound by the normal rules of the Scheme. The aim of the JRS Scheme is to reduce the numbers of registered unemployed and my proposal to withdraw the modified employer's undertaking for JRS is designed to increase its effectiveness for that purpose. The change must primarily affect civil servants, since it was for the Civil Service that the modification was originally devised so that at present replacements in the Civil Service do not have to come from the unemployed. However, the modification can be used by some other parts of the public service and I do, of course, propose to withdraw it from them as well.

We have never kept records of the number of civil servants joining the Scheme, although a recent survey carried out as part of a wider research project into the Scheme suggested that 38% of all applicants were in the public services. However, this is less relevant than the fact that, in future, the Scheme is likely to become more attractive to civil servants and, for reasons which I go into below, applications from them will be less effective in reducing the register. A recent quick survey of applications received showed that 28% used the modified undertaking (all of whom were in fact civil servants), and this is the basis of our estimate of the savings that will result from the withdrawal of the concession.



You will recall that our agreement in E Committee to my proposals for special employment measures for next year and beyond, including the comprehensive training scheme for the young, was conditional on the savings being realised. There is simply no prospect of my finding comparable savings elsewhere.

A recent survey has demonstrated that the public services are least effective in reducing the register, and the modified undertaking is an obvious cause of this. Our aim in running the Scheme is to ensure that one person is taken off the unemployment register to replace each person joining the Scheme; only in this way do we achieve both the savings in benefit which reduce the net cost of the Scheme, and the reduction in the unemployment statistics. Indeed we have been looking for ways to tighten up our procedures to enforce this replacement condition. We are prepared to accept indirect as well as direct replacements, but our leaflet states that there must be a clear and demonstrable link between the job vacated and the vacancy to which the unemployed person is recruited. Our evidence shows that this is not being satisfactorily achieved in the public sector.

In the case of the Civil Service, our efforts to reduce the number of over 60s will mean that many of those who would apply for the expanded Scheme would have retired anyway. Worse still, there are increasing fears amongst Departments that civil servants who would have retired at 60 and 61 will be encouraged actually to defer their retirement in order to qualify at 62. Thus the Scheme will be having the opposite effect to that which is intended.

I am, of course, sympathetic to your desire to ensure that older civil servants should be encouraged to make way for the young unemployed. But, for reasons I have explained, the new expanded Job Release Scheme is not really appropriate for the Civil Service. If you feel an early retirement scheme for civil servants is necessary, it may be that your Department should consider a special scheme. Since it would be designed specifically to meet your objectives, it could avoid the difficulties outlined above and, therefore, be cheaper than Job Release and would meet the industrial relations difficulties to which John Nott refers. I am afraid that I could not offer to meet the cost.

Since I am anxious to make an announcement on the special measures package for next year and beyond very soon now, I hope we can agree that the savings I have identified could be made by withdrawing the modified undertaking and increasing the cost-effectiveness of the Scheme.

I am copying this to the Prime Minister, members of E Committee and Sir Robert Armstrong.



24 NOV 1981



CONFIDENTIAL



*A. Duguid* (4)  
*A. Walters*

Prime Minister

MINISTRY OF DEFENCE WHITEHALL LONDON SW1A 2HB

*Mus 17/11*

TELEPHONE 01-218 9000  
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MO 21/8/5

12th November 1981

*mt*

*Dear Norman*

As a result of our discussion at E Committee on 2nd November Janet Young was asked to think further about Norman Tebbit's proposal to withdraw the present concessions which ease the use of the Job Release Scheme (JRS) by Civil Servants. I have now seen her letter of 10th November, which I support. I feel that I should summarise my strong and direct interests.

As you know the MOD dominates the employment of industrial civil servants and we face severe problems with general contraction in numbers and major closures eg at Chatham and Portsmouth. The JRS offers clear and sensible benefits. For example, in the Portsmouth area we can reduce industrial conflict if we can redeploy surplus dockyard staff to other nearby MOD establishments where some of the older people would welcome JRS. Also, we have a good record in training apprentices but we cannot now find them work when they complete their time. This year alone we were unable to take on 494 apprentices. JRS for older MOD craftsmen could help.

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The Rt Hon Norman Tebbit MP

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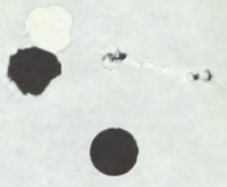


The reduction of JRS to the 62 year olds next February seemed to offer further useful help. I hope you can now support arrangements which will enable us to take advantage of this. We have always been most careful to abide by the "replacement" condition but it helps us greatly in practical arrangements if we do not have to match the individual JRS with the individual new recruit. A more restrictive arrangement would cut across our flexibility and harm our industrial relations. I doubt whether the extra costs can be as great as has been suggested. And to cut the scheme altogether for the Civil Service now would cause serious difficulties.

I am copying this to the Prime Minister, members of E Committee and Sir Robert Armstrong.

*Some even  
John*

John Nott



11 6 NOV 1981

*J A Ouguid*



Civil Service Department  
Whitehall London SW1A 2AZ  
Telephone 01-273 4400

Chancellor of the Duchy of Lancaster

10 November 1981

The Rt Hon Norman Tebbit, MP  
Secretary of State for Employment  
Caxton House  
Tothill Street  
LONDON SW1H 9NA

*? Wm Minister*

*This is very unclear to me: civil servants ought to be able to use the JRS only if their posts are filled from the unemployment register. Yet X is woolly on the point. Shall I record your unease, on these lines?*

*Dear Norman,*

JOB RELEASE SCHEME

The Job Release Scheme (JRS) was mentioned briefly at E Committee last week. As I understand Leon Brittan's letter of 30 October, you are proposing to withdraw the concession whereby civil servants can use the JRS even though their post is not filled directly from the unemployment register and that by doing so, you expect to save £40m in 1982/83 and £70m in each of the following years.

I believe, however, that these figures must relate to other parts of the public sector as well as the Civil Service since I understand the number of JRS releases in the Service has so far been very few, and no doubt Michael Heseltine and Norman Fowler and possibly other colleagues will also want to comment. But for my part I would urge you not to proceed with this.

I have had it in mind to recommend to colleagues that far from withdrawing the facilities we should make greater use of the JRS in the Civil Service as a means of encouraging many more of the over-60s to retire and make room for some of the young unemployed. It seems to me that this is the one option which is open to us which ensures that there is a net reduction in the unemployment register because those released are not allowed to register as unemployed. Any of the other options which I have considered and which involve compulsory retirement would not lead to a net reduction in the register and because of the low pensions of those concerned could incur further additional expenditure on the social security side.

I should be grateful therefore if this particular item in your expenditure programme could be put in abeyance for the time being until our officials have had a chance to consider the implications further. It may be that some tightening up of the "concession" would be feasible and I would like this to be looked at.

I am copying this to the Prime Minister, Members of E Committee and Sir Robert Armstrong.

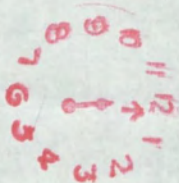
*Yours sincerely*

*Janet*

BARONESS YOUNG

*It seems to me that X is the Job Release scheme in its normal form what the C.S. was trying to do*

*plus was the release scheme being the job from the register*



10 NOV 1981