010

Manpower c/c A.D.

Management and Personnel Office
Whitehall London SW1A 2AZ
Telephone 01-273 4400
GTN 273

Chancellor of the Duchy of Lancaster

23 February 1982

The Rt Hon William Whitelaw, CH, MC, MP
Secretary of State for the Home Department
50 Queen Anne's Gate
LONDON SW1H 9AT

Prime Minister 2

MT

WR 25/2

Dear Willie,

JOBS FOR THE YOUNG IN THE CIVIL SERVICE

I have been considering what the Government as an employer can do to alleviate youth unemployment, and during recent weeks my officials have been exploring with departments ways of bringing more young unemployed people into the Civil Service.

There are limits to what we can do. Recruitment is now running at only about half the 1978 rate, because of the reductions we are making in the numbers in the Service, and the present very low rates of wastage. Some jobs call for qualifications and experience which teenagers simply will not have. Most jobs are in the clerical grades, which account for nearly half of the non-industrial Civil Service, but even at this level some jobs are more suited to older people because they require a degree of maturity - for example, because they involve sensitive dealings with the public. Nevertheless, despite the constraints, I have been heartened to find that at official level departments have responded positively and are generally willing to do all they can to recruit more youngsters.

All posts have to be filled by fair and open competition, so once the eligibility rules for a competition have been laid down it is not possible to recruit young applicants for jobs when better qualified older persons apply. But the ground rules may be drawn up so as to give preference to youngsters. Departments are empowered to run competitions for Clerical Officers and Clerical Assistants open only to the under-20s, for example, while the Civil Service Commission runs a special Executive Officer competition for school-leavers for however many of their vacancies departments decide to reserve for younger entrants.

I am sure you and colleagues share my concern over this question, and as 90% of all Civil Service recruitment is carried out by departments themselves, I would be very grateful if you would ensure that, so far as management constraints allow, your department does all it can to help to reserve jobs for school-leavers.

I am copying this to the Prime Minister, members of the Cabinet, the Attorney General and the Lord Advocate and to Sir Robert Armstrong.

Yours ever

Dave

BARONESS YOUNG

CONFIDENTIAL

Margaret JR

10 DOWNING STREET

From the Private Secretary

26 March 1982

Dear Jim

JOBS FOR THE YOUNG IN THE CIVIL SERVICE

The Prime Minister has seen Lady Young's letter of 23 February to the Home Secretary. She does of course share Lady Young's concern about job prospects for school leavers. But she is not sure that the right response is to make favouring the young a principle governing recruitment to the Civil Service.

To adopt such a principle would mean departing from what are regarded, and presumably proved to be, the best recruitment practices, in order to reduce youth unemployment. By definition it would mean abandoning value for money as the criterion which should govern recruitment. It was never the intention of the new training initiative, or the Government's policy on youth unemployment, to "create" jobs in this way. And to distort recruitment practices would run counter to the Government's policy of creating a freer labour market, which is important if the economy is to become more competitive.

As I mentioned to you, the Prime Minister is also concerned generally about young people's wages. The large supply of recruits at existing wage rates is an indication that wage rates do not need to be increased. Hence the nature of our pay offer to new recruits. If we stipulate young people's quotas for admission, and thus implicitly lower standards, this will impede the adjustment of the labour market by artificially increasing demand at that level.

Finally, the Prime Minister has a good deal of sympathy with the point made in Mr. Prior's letter of 18 March. School leaver unemployment is a very serious problem indeed; but unemployment in older age groups may be longer term, and is more likely to involve those with dependants.

In the light of these considerations, the Prime Minister thinks it would be right for Departments, where their own management considerations so indicate, to have no hesitation in employing young people; the replies to Lady Young's letter

/show that

JR

show that Departments are ready to follow her lead in this way; but the Prime Minister would prefer that no general policy of youth recruitment be brought into effect which might result in further labour market distortions.

I am copying this letter to the Private Secretaries to members of the Cabinet, the Attorney General, the Lord Advocate and to Sir Robert Armstrong.

Yours ever

Willie Rickett

Jim Buckley, Esq.,
Chancellor of the Duchy of Lancaster's Office.

10 DOWNING STREET

Prime Minister,

I am sorry to bother you with these papers again, but are you content that I should write to Lady Young's office as in the draft at E?

CM
25/3

Yes
MT

For the file:
— The issue is now with the PM.

cc Mr. Vereker Manpower

WN 24/3

MR. RICKETT

RECORD OF MEETING WITH MR. CASSELS ABOUT RECRUITMENT OF THE YOUNG INTO THE CIVIL SERVICE

1. Mr. Cassels said that the letters sent by Lady Young did not clearly reveal the underlying reason for biasing the recruitment of the Civil Service in favour of youth. The main reason appeared to be that Cassels believes that the youth training scheme, at present still under negotiation, will be agreed some time next month. He believes it will take the form of paying £30 a week to 16 year olds, with £10 of that or so contributed by Government. He believes that there will be pilot schemes in operation some time before the end of 1982. However, he does not believe that it is possible to pay the pilot scheme youths £30, since the trade unions would object. They would have to be paid normal rates, say £60-£80.

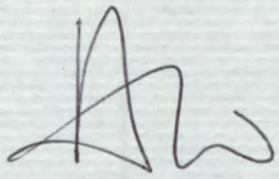
2. Cassels' argument for Civil Service discrimination in favour of youth employment had two elements: (a) he wanted youths for the pilot scheme, and (b) he thought that the Government should "give a signal" that it was interested in youth unemployment and training.

3. I argued that surely there were enough youths already being recruited into the Civil Service in order to provide adequate fodder for the pilot scheme. He agreed that this was so, except there might be shortages in some regions. Then I argued we should deal with that when it arises. There was no reason for any general increase in recruitment. On the second point, I suggested that this would hardly add anything to the public's perception of the Government's recognition of youth unemployment as being a serious problem. After all, we had already budgeted billions for youth unemployment measures and training. An announcement that we were going to bias our recruitment policies would hardly ring the bells in every church steeple. More important, it could be condemned as wasteful recruitment practices. If we hired more youth at £60-£80 now, instead of recruiting them later into the youth training scheme at £30, it would properly be condemned as silly and wasteful behaviour on the part of the Government.

/4. It turned out

4. It turned out also that Cassels is very much in favour of "positive discrimination" to recruit more blacks and presumably other ethnic minorities. From his demeanour and discussion, I gather that they are preparing some initiative of this kind. However, I expressed firm opposition to this, on the basis of American experience, and he may well have been put off. It is, after all, racial discrimination and should not be disguised under any euphamism. I believe it is being discussed actively as part of the policy of the SDP. This may have explained recent interest by the Civil Service in these issues, and is perhaps an underlying reason for the proposed positive discrimination in favour of youth.

5. In conclusion, I can see no reason for changing the views that were expressed in your letter of 4 March. The principle of efficient recruitment at minimum cost should not be compromised by discrimination in favour of the young. If the youth training scheme comes into operation, then the departments should take this into account in their recruitment policies. This will be again consistent with the principle of minimum cost.



24 March 1982

ALAN WALTERS

PRIME MINISTER

You will remember that Lady Young wrote to all Departments suggesting that they should do what they could to help reserve jobs for school leavers (Flag A).

Alan Walters questioned whether it was right to make favouring the young a principle of recruitment; and, with your agreement, I wrote to Lady Young's Office to ask for her reaction to Alan Walters' comments (Flag B).

The reaction from Lady Young's Office is at Flag C. It does not really address the points made by Alan Walters. Briefly, it says that Lady Young sees her initiative as contributing to the thrust of the Government's new training initiative, and to our policy on youth unemployment generally. Alan Walters' comments on this letter are at Flag D. I have converted these into a letter which I could send to Lady Young's Office, and which could be copied to the offices of Ministers in charge of Departments. This is at Flag E. Content that I should write in these terms?

Only a few Departments have so far replied to Lady Young's initiative. Most of them have simply said that they will do what they can, within management constraints. Mr. Prior has, however, said that he thinks it would be a mistake to reserve posts specifically for young people: by so doing we would ignore the needs of the long-term unemployed who represent a significant number of those out of work in Northern Ireland.

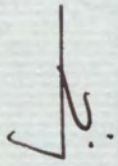
GR

22 March 1982

MR. RICKETT

JOBS FOR THE YOUNG IN THE CIVIL SERVICE

We have discussed your exchange of correspondence with Lady Young's Office, and you asked me to try my hand at a draft letter, to be copied to the recipients of Lady Young's letter of 23 February, which you could show to the Prime Minister. I hope that the attached is suitable. Alan Walters has seen and agreed it.



19 March 1982

DRAFT PRIVATE SECRETARY LETTER TO LADY YOUNG'S OFFICE

JOBS FOR THE YOUNG IN THE CIVIL SERVICE

The P.M. has seen

[~~We had a word about~~] Lady Young's letter of 23 February to the Home Secretary. [~~and I have drawn the Prime Minister's attention to the management reasons for correcting the age structure in the Civil Service~~] ~~The Prime Minister~~ She does of course share Lady Young's concern about job prospects for school leavers. ~~She has suggested that it might be helpful~~

Second para

IP To adopt such a principle would mean departing from what are regarded, and presumably proved to be, the best recruitment practices, in order to reduce youth unemployment. By definition it would mean abandoning value for money as the criterion which should govern recruitment. It was ~~not~~ never the intention of the new training initiative, ~~or the general recruitment policy~~ or the Government's policy on youth unemployment, to "create" jobs in this way. And to distort recruitment practices would run counter to the Government's policy of creating a free ~~To distort~~ labour market, which is important if the ~~UK~~ economy is to become more competitive.

generally about young people's wages. The large supply of recruits at existing wage rates [a~~lthough not apparently~~

/ ~~extending~~

Second para

1P To adopt such a principle would mean departing from what are regarded, and presumably proved to be, the best recruitment practices, in order to reduce youth unemployment. By definition it would mean abandoning value for money as the criterion which should govern recruitment. It was ~~not~~ never the intention of the new training initiative, ~~or the general recruitment~~ ~~policy~~ or the Government's policy on youth unemployment, to "create" jobs in this way. And to distort recruitment practices would run counter to the Government's policy of creating a free ~~To distort~~ labour market, which is important if the ~~we~~ economy is to become more competitive.

DRAFT PRIVATE SECRETARY LETTER TO LADY YOUNG'S OFFICE

JOBS FOR THE YOUNG IN THE CIVIL SERVICE

The P.M. has seen

~~We had a word about~~ Lady Young's letter of 23 February to the Home Secretary. ~~and I have drawn the Prime Minister's attention to the management reasons for correcting the age structure in the Civil Service~~ ~~The Prime Minister~~ She does of course share Lady Young's concern about job prospects for school leavers. ~~She has suggested that it might be helpful if I set out one or two thoughts designed to put Lady Young's proposal into a wider perspective~~. But she is not ~~convinced~~ sure that the right response is to ~~favour~~ make favouring the young ~~in recruiting~~ to the Civil Service. a principle governing recruitment

~~The Goverment's approach~~ to unemployment is based on the belief that lasting and productive jobs will arise as the economy becomes more competitive; ~~and that at a given point in our economic recovery the response of the labour market will determine the rate of unemployment.~~ that is why so much of our effort has to be directed towards a freer labour market. If labour market considerations justify recruitment into the Civil Service of a particular age group, that ought ~~to happen~~ without the need for quotas. It does seem that individual departments will be best placed to determine their own manpower needs, and indeed that is shown in the responses to ~~Lady Young's~~ letter.

As I mentioned to you, the Prime Minister is also concerned generally about young people's wages. The large supply of recruits at existing wage rates ~~although not apparently~~

/ ~~extending~~

~~extending to Croydon~~] is an indication that wage rates do not need to be increased. Hence the nature of our pay offer to new recruits. If we stipulate young people's quotas for admission, and thus implicitly lower standards, this will impede the adjustment of the labour market by artificially increasing demand at that level.

Finally, The Prime Minister ~~also~~ has a good deal of sympathy with the point made in Mr. Prior's letter of 18 March. School leaver unemployment is a very serious problem indeed; ~~so too is the problem of the longer-term unemployed, and their dependants.~~ but ~~unemployment in the 20-24 year old age group may be longer term, and~~ ~~and these tend to be older~~ ~~is more likely to involve those with dependants~~. unemployment in older age groups may be longer term, and is more likely to involve those with dependants.

In the light of these considerations the Prime Minister thinks it would be right for departments, where their own management considerations so indicate, to have no hesitation in employing young people; the replies to Lady Young's letter show that Departments ~~[illegible]~~ are ready to follow her lead in this way; but ~~she~~ the P—M— would prefer that no general policy of youth recruitment be brought into effect which might result in further labour market distortions.

I am copying this letter to the Private Secretaries to the recipients of Lady Young's letter of 23 February.

D

cc Mr. Hoskyns
Mr. Vereker
Mr. Scholar
Mr. Wolfson

MR. RICKETT

JOBS FOR THE YOUNG IN THE CIVIL SERVICE

1. The letter from the Chancellor of the Duchy of Lancaster in its second paragraph implies that we should distort the recruitment practices of the Civil Service in order to contribute to the thrust of the White Paper on new training initiatives. If that had been the intention of the new training initiative, then surely it would have said as much. It didn't.

2. The second paragraph implies that the Civil Service should depart from what are regarded, and presumably proved to be, the best recruitment practices in order to reduce the level of unemployment of those under 18. By definition therefore we would get less value for money. But since the wages of 16-18 year olds are less than those of the alternative adults, there would certainly be a net expansion of employment - there would be, say, three under-18s replacing two over-21 year old. I do not think, however, it was ever the intention of the new training initiative or the general recruitment policy to "create" jobs in this way. Certainly such job "creation" would never be practised in the private sector. It is difficult to see why there should be justification for it in the public sector.

3. In the third paragraph of the letter it is suggested, per contra, that it would really be more efficient recruitment practice to take on more younger workers. The argument, however, is rather strange since it implies that recruitment before 1979, under a more stringent labour market, was better, or at least better balanced, than it has been in subsequent years when the choice has been considerably greater. This strikes me as odd. But in any case, if the argument is that the better recruitment mix includes a far greater number of young, then that argument stands on its merits irrespective of the unemployment rates among the young, new training initiatives and the like. You can't have it both ways.

4. The last paragraph, apart from containing a rather funny howler (namely that a "zero pay offer" is made to those at the recruitment grades), appears to misunderstand the nature of wage fixing and the labour market. The "zero pay offer" was suggested because there is a very large supply of recruits at the existing wage rates. This still

implies that the wage rates are too high. And removing labour from the market into these jobs will indeed do nothing to help the labour market adjust and will in fact tend to impede that adjustment.

18 March 1982

ALAN WALTERS

cc JV

NORTHERN IRELAND OFFICE
GREAT GEORGE STREET,
LONDON SW1P 3AJ

GM 18/3

SECRETARY OF STATE
FOR
NORTHERN IRELAND

Rt Hon Baroness Young
Management & Personnel
Office
Whitehall
LONDON
SW1A 2AZ

18 March 1982

Dear Janet

Thank you for sending me a copy of your letter of 23 February to Willie Whitelaw about the need to take on more young people in the Civil Service.

I agree that we must do all we can to alleviate the problem of youth unemployment, and those responsible for recruitment in the NIO and NI Departments will ensure, as far as possible, that a high proportion of junior posts are offered to school leavers. However, I think it would be a mistake to reserve posts specifically for young people. By so doing, we would ignore the needs of the long-term unemployed who represent a significant number of those out of work in Northern Ireland.

Copies of this letter go to recipients of yours.

Yours
Jim

ssd

'C'

2 PPS

✓ JV

Management and Personnel Office
Whitehall London SW1A 2AZ
Telephone 01-273 } 4400
GTN 273 }

Chancellor of the Duchy of Lancaster

From the Private Secretary

18 March 1982

Willie Rickett, Esq
10 Downing Street
LONDON SW1

Dear Willie,

JOBS FOR THE YOUNG IN THE CIVIL SERVICE

Thank you for your letter of 4 March giving the Prime Minister's reactions to the Chancellor of the Duchy's letter of 23 February.

The Chancellor of the Duchy took her initiative against the background of the extremely poor employment situation for school-leavers. Unemployment among those under 18 has been running at about 25 per cent, and without the Youth Opportunities Programme would exceed 40 per cent. Their situation is therefore markedly worse than that of 20-24 years olds. The Chancellor of the Duchy thinks it important that the Government as an employer should by its actions contribute to the thrust of the White Paper on the New Training Initiative, which makes it clear that "special provision will continue to be needed for (young people) in order to achieve our major aim of reaching the position where all young people, on leaving school, either move on to further education, find a job or are given the chance of training or community service" (Cmnd 8455, paragraph 22). What is proposed relates to local recruitment, and the educational standard required relates to "O" levels. Of course those with better qualifications would not be excluded, but they are more likely to be candidates for the openings which already exist for young people under the Executive Officer or parallel specialist competitions.

Value for money is of course crucial. Recruiting older and more mature people certainly has advantages, but departments can also benefit from an input of young people with potential for development. So far as age structures go, the Chancellor's initiative has a corrective effect, since in 1979 and 1980 the proportion of civil service vacancies filled by school-leavers declined.

The Prime Minister was also concerned that a bias towards young recruits would do nothing to reduce wage rates of youth generally. In the current pay negotiations of course a zero pay offer has been made to those at the bottom of the recruitment scales.

Yours sincerely,

Jim Buckley.

J BUCKLEY

c/c SV

MINISTRY OF DEFENCE WHITEHALL LONDON SW1A 2HB

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

MO 21/8/11

16th March 1982

Dear Janet

JOBS FOR THE YOUNG IN THE CIVIL SERVICE

Thank you for copying to me your letter of 23rd February to Willie Whitelaw.

I quite accept what you say about our doing more, as employers, to bring young unemployed people into the Civil Service. Of course my Department will do what it can to help within manning and cash limits and bearing in mind management considerations.

As I am sure you will know delegated recruitment schemes run by Departments are operated in line with the rules laid down by the Civil Service Commission; and to the extent that Commission rules can be relaxed to help this group we will carry through the spirit into MOD recruitment, although of course we would not want to be limited to recruiting exclusively from younger applicants.

Yours ever

John

John Nott

The Rt Hon The Baroness Young

WM 11/3

SC JV
BW
Manpower

QUEEN ANNE'S GATE LONDON SW1H 9AT

11 March 1982

Dear Janet

JOBS FOR THE YOUNG IN THE CIVIL SERVICE

You wrote to me on 23 February about recruiting young unemployed people into the Civil Service.

The Home Office is keen to play its part. At present we are restricting recruitment for Clerical Officers and Clerical Assistants in the London area to the under-twenties, and even in areas where good management predicates recruitment of older staff we have managed to recruit under-twenties to half the posts.

A disappointing point, however, is that a recent under-twenties scheme for Clerical Assistants at Croydon - using the educational qualifications method (two 'O' levels) - produced only 37 qualified applicants for interview for 50 vacancies, although prominent advertisements were placed in local newspapers covering a wide area and local Job Centres were notified.

It would be a mistake to draw any firm conclusions from this, but it may be helpful to you to have this information about one modest scheme. We shall not be deterred by this experience and later in the year we shall mount a similar competition for central London.

Copies of this letter go to the Prime Minister, Cabinet colleagues, the Attorney General, the Lord Advocate and Sir Robert Armstrong.

Yours ever
Willie

Baroness Young

FROM:

THE RT. HON. LORD HAILSHAM OF ST. MARYLEBONE, C.H., F.R.S., D.C.L.

cc JV

HOUSE OF LORDS,
SW1A 0PW

8th March, 1982

The Right Honourable
The Baroness Young

WM
9/3

My dear Janet:

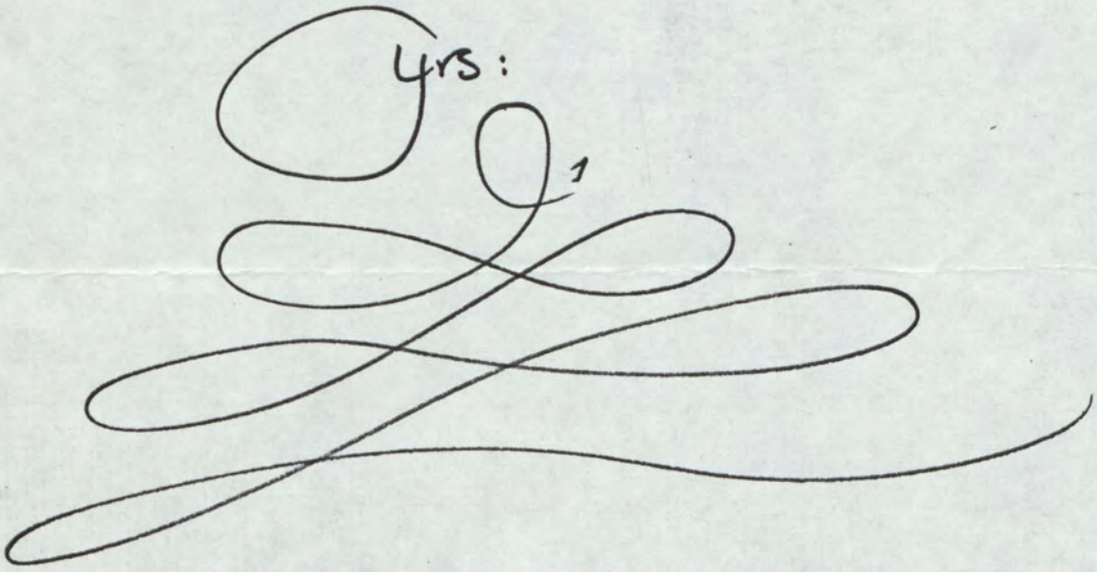
Jobs for the Young in the Civil Service

Thank you for your letter of 23rd February in which you ask that all reasonable steps be taken to help reserve for school leavers vacant posts in the Civil Service.

There are, as you say, constraints. Nevertheless, I will see to it that those responsible for the recruitment of junior staff are made aware of the need where possible to bring more young unemployed people into the Department.

I am copying this letter to the recipients of yours.

Yrs:



File B manpower 085

10 DOWNING STREET

From the Private Secretary

4 March 1982

JOBS FOR THE YOUNG IN THE CIVIL SERVICE

The Prime Minister has seen Lady Young's letter of 23 February to the Home Secretary, in which she suggests that departments should do what they can to reserve jobs for school-leavers.

The Prime Minister wonders whether it is right to make favouring the young a principle governing recruitment. She is inclined to think that a more important principle is to aim for the best value for money. She also sees a number of other objections to Lady Young's proposal. An age restriction, excluding those who have reached their 20th birthday, could be criticised as unfair discrimination, especially as the unemployment rate in the 20-24 year old age group is also high. It would effectively exclude those who have had two years or more of higher education, not to mention those older people who have useful experience to offer, especially from the private sector. It could create an unbalanced age structure within the service with the consequent problems of promotion blockages, and so on. Finally, a bias towards young recruits would do nothing to reduce the wage rates of youth generally; it could indeed exacerbate the problem.

The Prime Minister would welcome Lady Young's reaction to her concerns.

M. SCHOLAR W. F. S. RICKETT

Jim Buckley, Esq.,
Chancellor of the Duchy of Lancaster's Office.

Pls use working mark with 1 the 18-24 age group in mind

10 DOWNING STREET

Prime Minister

Here are Alan Walter's comments on Lady Young's suggestion that Departments should do what they can to help reserve jobs for school leavers.

If you agree, I will ask Lady Young's office for her reaction to these points. Ministers have not yet reacted to Lady Young's letter, and you may feel it would be premature to try to squash it without giving her a chance to respond to Alan's comments. If necessary, Lady Young's proposal can always be raised in Cabinet.

Yes please mw

CDP 3/3

CONFIDENTIAL

3 March 1982

ALAN WALTERS

PRIME MINISTER

JOBS FOR THE YOUNG IN THE CIVIL SERVICE

1. The letter from Baroness Young to the Home Office of 23 February suggests that Civil Service recruitment should depart from the open competition system and restrict some forms of entry to the under-20s. She suggests that many of the vacancies in departments should be reserved for younger entrants.

2. Before embarking on this, we should ask whether the possible political benefits of favouring the young outweigh the serious drawbacks.

3. This would be a retrograde step. The principle of recruitment should be to minimise costs and the ground rules should have only this principle in mind. We should aim only for the best value for money.

4. An age restriction, excluding those who have reached their 20th birthday, would not merely invite inefficiency, but it would also be unfair discrimination. For example it would effectively exclude those who have had two years or more of higher education. And there are many other cases where delayed entry beyond the age of 19 may indeed be a good thing.

5. With such very low wastage rates reported by Baroness Young, recruitment of the young will mean that a substantial fraction of them will stay in the Civil Service all their working life. For obvious reasons I think that this is undesirable. Recruitment over the whole range of the age scale will at least help some of the mobility which we would all like to see between the Civil Service and the private sector.

6. Finally, a bias towards younger recruits will do nothing to help reduce the wage rates of youth generally. If anything it will exacerbate the problem. Although we have suggested low or zero increases for the Civil Service in this year's pay negotiations, it is yet to be seen whether we shall succeed in realising this objective.

7. I suggest Lady Young should be asked to bring this policy issue forward for debate. My own view is that the proposal contains serious disadvantages. It is not too late to stop it.

AW

ALAN WALTERS