



cc: Nick Owen

10 DOWNING STREET

*From the Private Secretary*

9 August 1985

This is just to record that the Prime Minister has seen your Secretary of State's minute of 7 August about measures to combat unemployment, for which she was very grateful.

Timothy Flesher

David Normington, Esq.,  
Department of Employment.

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Prime Minister.

PRIME MINISTER

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Following our recent discussions there is a lot happening on the various actions we agreed about unemployment, and I thought you might like a progress report before you go away. The first part of this minute relates to the programme of direct action that we are taking on unemployment and the various steps to get more unemployed people back into work. The second part deals with steps to improve the effectiveness and the credit we get for the Community Programme.

#### Regional Fraud Teams

Following the success of the Thames Valley fraud check I have put in hand the next exercise which will be in Herts/Bucks and Beds starting at the beginning of September.

Recruitment for the additional fraud teams is now in hand. The next hundred investigators will be in post by 1st October and will be fully operational as quickly as possible thereafter. We can increase this by a further 150 investigators every 3 months, certainly for a year, and I have today written to Peter Rees proposing that we set this in hand. Even if the cost benefit ratio does not remain as high as the 6:1 we achieved in the Thames Valley it is nonetheless clearly most cost-effective.

#### Unemployment Review Officers

The additional 300 Unemployment Review Officers are being organised by DHSS. I understand they will be available early in the autumn and will start work immediately based on the



Jobcentres. That will, of course, give us 850 UROs operating from Jobcentres and enable us to start re-establishing the system for interviewing all unemployed people after a certain period on the register.

I am also arranging immediately to set up in the Unemployment Benefit Offices displays of job vacancies from the Jobcentres and to start giving some real encouragement to those signing on to look at the available jobs. We have already started this on an experimental basis and there are some encouraging signs from even this very limited initiative. In addition, we are going to expand rapidly the new system of Jobclubs which provide help and advice to some of the least adequate among the unemployed in the simple mechanics of applying for work. This elementary and very inexpensive scheme has been remarkably successful in such difficult places as Middlesbrough and Durham in helping people who have been unemployed for some considerable time back into work.

We are backing up these measures with two further steps. The Jobcentres will be writing shortly to some half a million of the long term unemployed. The letters are designed to offer the help of the Jobcentre's services by asking what sort of assistance they need, for example by training or other advice, but in the process will ask certain other questions about the type of work the unemployed are seeking, the sort of wage they expect and how active they have been in seeking a job.

We shall back this up by two further exercises similar to those run in Crawley to see how far the information that we got in Crawley is typical of other areas. You will remember



that we established that 30% of those on the register were either not wishing to work or had made no effort to find work in the last three months.

I am also hoping to set up via Tommy Thompson at ORC a completely separate survey to try to get a better picture of the attitudes of the unemployed to work, including to taking part-time work, and also to get a better picture of their involvement in the black economy.

We have also asked Professor Blaug to do a study of the feasibility of introducing either a Workfare or Benefit Plus scheme in this country. He is now underway on this and hopes to have it ready by Christmas.

I have also had discussions with Douglas Hague on further research into the black economy. He recommended strongly that the best person to do further work on this subject was a Professor Pahl, who he brought in to see me yesterday. Professor Pahl has done an extensive study over some 6 - 7 years of the Isle of Sheppey, from which it is clear that he is strongly convinced that the black economy is almost entirely in the hands of the employed rather than the unemployed. Furthermore he was more interested in persuading me of the correctness of his views, than of discussing the objective merits of further research! I intend, therefore, to talk again to Douglas about this as I was not very impressed by Pahl.



With the exception of this last item, we are therefore well underway on a wide programme of work which we shall monitor very closely. I am determined that we identify every possible way in which we can improve the present labour market situation and put much more effective pressure on unemployed people, where there are jobs, to fill them.

### Community Programme

I have been concerned for some time that we need better presentation of our employment measures. The very title, Community Programme, is not clear enough, nor do we get enough credit for the Government's role in funding it. I therefore asked the MSC to set in hand urgent action on ways in which we could repackage the Programme and to focus public attention on the value of the work it does.

Geoffrey Holland has now set up a small task force of bright young Principals to work on my suggestions. My original idea was to split up the Programme into different types of work, each with their own identity, such as a Conservation Corps, a Heritage Corps, and perhaps an Insulation Corps. I have since discussed this again and I believe that perhaps the title Job Force might be better, in which we would have such groupings as a Heritage Job Force, Action Sport Job Force, a New Broom Job Force (your title from last night!) and a Good Neighbour Job Force. I hasten to add these are not firm proposals yet but they illustrate the ideas on which we are working.



Within these headings we could incorporate the whole range of activities, some of which are already in the Community Programme and some of them have come from colleagues that I have written to to see which of their Programmes we could help with Community Programme work. These included ideas such as Patrick's request for help for Garden Festivals, Peter's for energy saving and insulation, Leon's for crime prevention and Drugwatch. All these can be presented in a very positive way and identified with the public perception of the good sense of giving unemployed people jobs to do on worthwhile projects. We already have underway the new initiatives with charities such as the Spastics Society, Dr Barnardo's, MENCAP, Sue Ryder and WRVS and these could further enhance the attractiveness of the Programme.

I am now considering whether we could relaunch the Community Programme, in this new structure. I am sure that this offers scope for really professional presentation and I have already talked to Tim Bell about ways in which we might market this in an effective way. He is, of course, very familiar with this field and I have arranged for Geoffrey Holland to follow it up with him as soon as possible.

The question which then arises is, if we did relaunch the Programme, what should its scale be in the year ahead. We are at the moment working on the 100,000 expansion agreed in the Budget. This started in June and helped last month's unemployment figures by some 7,000; it will build up to a register effect of 40,000 by November and a further 10,000 a month thereafter till the end of next May. It was originally suggested that some 250,000 was the maximum that the scheme



could stand without complaints of it destroying too many jobs elsewhere. The view now is, as you will have heard, that this could now be increased to 360,000 and possibly more. I think we should consider whether the relaunch should be accompanied by some expansion of the Programme.

### The Two Year Youth Training Scheme

The other major publicity initiative which will come forward shortly will be the launch of our new two year Youth Training Scheme. The initial approach to the sponsors and the training providers will be in October. In January the major public launch directed at parents, teachers and the youngsters themselves and involving television, radio and newspaper advertising will get under way. This is a programme for which £3 million is budgetted and which might well justify more; Saatchi's are already working on this.

### Other Items

There are two further major items on our programme; the Wages Council legislation is well under way and should be ready for early introduction in the new Session, and I have been very encouraged by the good reception we have had for our proposals throughout the Party.

The Green Paper on further trade union reform is being prepared for publication around the end of the year. This will help to keep the issue of trade unions and members' rights in the public eye. It was clear from Kinnock's

*This is something you might be directly associated with*

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press conference yesterday that he also appreciates how popular our reforms are proving to be and I am sure we are right to maintain the initiative in this area.

Taken together this agenda offers considerable scope for 'good news' and favourable publicity in the months ahead.

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7 August 1985

P.S

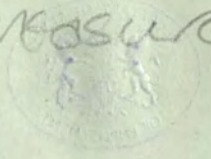
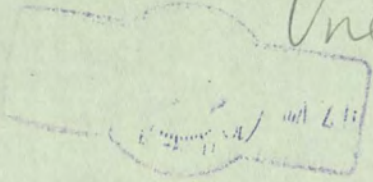
Encouraging news also on next Friday's

RP1 which is now forecast for 6.9 - 7.0

and down to 6.0 - 6<sup>1</sup>/<sub>4</sub> in August.



# Unemployment MEASURES



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