
Labour administration in the United Kingdom

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Preface

The ILO Department for Government and Labour Law and Administration (GLLAD) has just published a book entitled “The new forms of labour administration: Actors for development”, which examines labour administration in the present context of change and globalization, and describes and analyses 27 cases of innovative practice in this field.

To write this book a number of specific studies were carried out during the course of 1999 and 2000, the publication of which may be of use to the constituents of the ILO. These texts describe different systems set up for specific purposes or in response to particular situations, such as the separation of jurisdiction between the federal and provincial Governments of Canada, the importance of assessment in the United Kingdom and Finland’s new public administration.

These four texts will be published separately.

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All publications were edited by Mr. Normand Lécuyer.

Jean Courdouan,
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and Labour Law and Administration.

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Introduction

This report explores the functioning of the National System of Labour Administration (NSLA) in the United Kingdom (UK). Information has been collected from reports published by government departments, executive agencies and non-departmental bodies. The documents from which information about the operation of the NSLA has been gathered include Business Plans, Annual Reports and various types of information provided over the worldwide web. Interviews have also been conducted with Civil Servants working within the principal government departments.

The report is organized around substantive sections. Section 1 describes how the UK's system of labour administration has evolved over time. The functions and objectives of the various bodies responsible for labour administration are described in Section 2. Section 3 focuses on specific programmes and services provided by executive agencies and non-departmental bodies. This section also provides an overview of UK labour law. In Section 4 the discussion turns to the role employers and trade unions play in the system of labour administration. The various methods used to evaluate the performance of government departments and other bodies involved in labour administration are examined in Section 5. Finally, Section 6 highlights recent government policy initiatives in areas such as social security, vocational training and labour relations.

Section 1. Historical context and present situation of the National System of Labour Administration (NSLA)

Responsibility for national labour administration is largely concentrated in two government departments: the *Department for Education and Employment* (DfEE) and the *Department of Trade and Industry* (DTI). Two other Departments, the *Department of Social Security* (DSS) and the *Department of the Environment, Transport and the Regions* (DETR) also play a more minor role in labour administration. Service provision is the responsibility of a number of executive agencies, which are located within the various departments. In addition, there are a number of non-governmental bodies, which have responsibility for various aspects of labour market regulation and service provision. The composition and functions of the institutions that comprise the NSLA have altered over time with responsibilities being redivided at regular intervals. Policy initiatives currently being introduced by the Labour Government are resulting in a new period of restructuring, particularly with respect to the functions performed by non-departmental bodies in the areas of industrial relations and vocational education and training (VET).

Industrial relations in the immediate post-war period have often been described in terms of “voluntarism”. Responsibility for decisions relating to wages and other terms and conditions of employment resided with employers, or alternatively were subject to voluntary agreements between employers and trade unions. Beyond providing the legal and institutional conditions necessary for collective bargaining to take place, the role of the state in regulating the employment relationship was minimal. Nevertheless, from the early nineteenth century onwards, the state played an important role in legislating in areas such as health and safety and pay. From the late 1960s the degree of legal regulation of employment began to increase. New laws were introduced designed to provide protection against unfair dismissal and increase equality in terms of earnings and employment opportunities. Legal interventions directed at the collective aspects of employment, on the other hand, were predominantly designed to place greater constraints upon the freedom of trade unions to take industrial action. This was particularly the case following the election of the first Thatcher government in 1979.

Shifts in the political climate, the agendas pursued by different governments and the policy measures they have favoured have been important determinants of the degree of participation afforded the social partners in policy formulation. The 1960s and (particularly the) 1970s are frequently described as decades of corporatism during which time trade unions and employers were represented on a range of tripartite bodies. The most important of these were the *National Economic Development Council* and the *Manpower Services Commission*. The election of the Conservative Party in 1979 heralded a shift in the State’s stance on industrial relations and the involvement of the social partners. The most notable changes included a more marginal role for trade unions in policy development and the introduction of a body of legislation that redefined the relationship between employers, employees and their trade unions at the workplace. The current Labour Government, which was elected in May 1997, has provided strong indications that it is more favourably disposed to inputs from the trade unions. Labour has committed itself to promoting social partnership and dialogue, and has encouraged employer and trade union involvement in policy development. The social partners also play a major part in the overall functioning of the NSLA through their involvement in a multitude of Non-Departmental Bodies and institutions, which have responsibilities in the areas of industrial relations, employment and vocational education and training.

Section 2. Functions, objectives and organization of labour administration

2.1. Responsibilities

Government Ministries (known as departments) are headed by a Secretary of State who is also a member of the Cabinet.¹ In addition to the Secretary of State, most departments have four junior ministers, all of whom are members of Parliament. Some of the larger departments have six or seven junior ministers (Burch 1995). The bureaucracy of government departments is normally headed by a permanent secretary who is typically the departmental accounting officer and is responsible to the minister for the activities of the department (Kavanagh 1996). An “ideal-typical” depiction of the organization of a Government department is provided in Appendix 1.

British central government, comprising Ministers and Senior Civil Servants, is largely devoted to policy formation, legislation processing, fund allocation and the regulation of standards. Policy implementation is the role of sub-central public bodies (Budge and McKay 1993: 126). These include executive agencies, for which departments have direct responsibility, in addition to a range of central government “arms length” agencies operating at the local level and involving representatives from the private and voluntary sectors. These are commonly referred to as “quasi-governmental agencies” or “quangos” (Budge and McKay 1993: 131). There are also non-departmental public bodies (NDPBs), which receive their funding from central government and which are supervised by a board appointed by government (Budge and McKay 1993). The specific agencies, quangos and NDPBs which have responsibility for the operation of the NSLA will be dealt with later in this report. For now we focus on the role and functioning of the principal government departments.

Departmental duties and responsibilities

Responsibility for labour issues is shared primarily between two Ministries, the Department for Education and Employment (DfEE) and the Department of Trade and Industry (DTI). The DTI is responsible for industrial relations issues while the concerns of the DfEE encompass compulsory and post-compulsory education, employment and equal opportunities. The origin of the present distribution of responsibilities is relatively recent. The DfEE was created in 1995 as a result of a merger between the Department of Employment and the Department for Education. At this point, responsibility for industrial relations was transferred from the newly created DfEE to the Department of Trade and Industry (DTI).

In addition to the DTI and the DfEE, two other departments have responsibilities in the area of labour administration. They are the Department of Social Security (DSS), the concerns of which encompass unemployment benefit, and the Department of the Environment, Transport and the Regions (DETR) which has responsibilities in the area of health and safety.

The principal departments are now discussed in turn.

¹ The Cabinet, which is headed by the Prime Minister, is the collective, executive body that forms the pinnacle of Government. It is within the Cabinet that the most important political decisions are taken. The Cabinet plans parliamentary business, arbitrates in the case of disputes between Departments, and acts to ensure the coordination of policy (Kavanagh and Seldon 1998).

(i) Department for Education and Employment

The DfEE was created in 1995. Up until this time Employment and Education had operated as separate departments with the former having responsibility for matters relating to employment, health and safety and industrial relations.

The Secretary of State for Education and Employment has overall responsibility for departmental policy, finance and public expenditure and major appointments. The current Secretary of State is David Blunkett. Beneath the Secretary of State are three Ministers and three Parliamentary Under Secretaries who have responsibility for specific aspects of the department's work.

The DfEE is organized into seven directorates under the Permanent Secretary. The directorates, and the specific tasks entrusted to them, are as follows:

- (i) Schools Directorate: schools organization and buildings; school curriculum, funding and teaching; pupils, parents and youth; schools standards and effectiveness; education bill.
- (ii) Employment & Lifelong Learning & International Directorate: skills and lifelong learning; equal opportunities; technology and overseas policy; employment policy; international.
- (iii) Personnel & Support Services Directorate: corporate change and senior staff; facilities management; information systems; personnel; procurement; training and development.
- (iv) Strategy & Communications Directorate: strategy and board secretariat; briefing; media relations; publicity; millennium project.
- (v) Finance & Analytical Services Directorate: Qualifications, pupils assessment and international; youth and further education; employability and adult learning; equal opportunities and research programme; schools, teachers and resources; expenditure; private finance/Public Private Partnership (PPP); programmes; efficiency; financial accounting; internal audit. Analytical Services provides statistical information and advice to assist in the development and evaluation of the Government's education and employment policies. Analytical Services also has responsibility for managing the DfEE's research programme.
- (vi) Further & Higher Education & Youth Training Directorate: higher education; qualifications and occupational standards; further education and youth training.
- (vii) Operations Directorate: TEC and careers service operational policy; regional development and government offices; National Training Organization; quality and performance improvement; resources and budget management; financial control operations.

The DfEE has offices in London, Sheffield, Runcorn and Darlington.

Relevant non-departmental bodies that report directly to the DfEE include the Construction Industry Training Board, the Qualifications and Curriculum Authority (see Section 3), Remploy Ltd.,² and the Equal Opportunities Commission (see Section 3).

European Union responsibilities

The DfEE has the task of coordinating the Government's work for the Social Affairs Council (SAC). The DfEE also represents the UK on the Employment and Labour Market Committee (ELC) which was established at the Dublin European Council in December 1996.

The DfEE claims support from the European Social Fund for training and job search initiatives delivered through TECs and the Employment Service (see below).

Education and training projects are eligible for European Regional Development Funding. Regional Government Offices make grant payments on behalf of the DfEE and the European Commission to organizations such as further and higher education colleges.

(ii) Department of Trade and Industry (DTI)

The DTI was originally created in 1970, although the Departments of Trade and Industry were separated in 1974 and not re-unified until 1983. The DTI is headed by the Secretary of State, who is presently Stephen Byers. Under the Secretary of State are four Ministers of State and two Under-Secretaries of State. The DTI has a broad set of responsibilities, which include helping business to compete in domestic and overseas markets, energy policy, science and technology, export promotion and support for small firms.

The DTI has responsibility for industrial relations, having taken this over from the Department of Employment in 1995 when the latter was merged with the Department for Education. Formal responsibility within the DTI rests with the Employment Relations Directorate (ERD). The Civil Service Yearbook for 1998-99 summarizes the objectives of the ERD as follows:

[The] Employment Relations Directorate advises on policy and legislation concerning: individual employment rights (including redundancy and transfer); trade union and industrial action; pay, working hours and holidays; and conduct of employment agencies. It administers statutory redundancy and insolvency payments; and enforces employment agencies law (Civil Service 1998: 284).

The responsibilities of the ERD are divided across six subdivisions, described in the Civil Service Yearbook (1998: 264) as follows:

ER 1: "Employee involvement policy; European Works Councils; EU proposals on employee information, consultation, participation etc.; EU coordination for directorate; Social Chapter; Social Partnership and EU social dialogue".

ER 2: "Policy, briefing and legislation on employment status, home working, posting of workers and rights on redundancy, insolvency and transfers of undertakings, EU Directives on Acquired Rights, Collective Redundancies and Insolvency. Administration of the Redundancy Payments Service, which makes statutory redundancy and insolvency

² Remploy is a private company, sponsored by the Government, which provides supported employment for the disabled.

payments to employees of companies which are insolvent or in financial difficulty and the Employment Agency Standards Inspectorate”.

ER 3: “Responsibility for advising on pay, including the National Minimum Wage and the Low Pay Commission; industrial disputes; working time and public holidays. ER 3 also leads on the implementation of EC Directives on Working Time and Young People and on EC initiatives on sectors excluded from the Working Time Directive”.

ER 4: “Employment market analysis and research. Advice on economic, statistical and research issues connected with the labour market generally and employment relations specifically. Management of research in these areas”.

ER 5: “Policy and legislation on individual employment rights (unfair dismissal, maternity leave etc) and implication of ECJ case law; policy and legislation on, and lay member appointments to, Employment Tribunals and the Employment Appeal Tribunal; EU Directives on Parental Leave and Part-time work; family-friendly employment practices; Employment (Dispute Resolution) Act 1998; Public Interest Disclosure Bill Team; Employment Relations Public Appointments”.

ER 6: “Fairness at Work Bill Team; policy and legislation on trade unions, recognition and industrial action; liaison with ACAS, Certification Officer, CRTUM and CPAUIA”.³

The DTI has responsibility for the Employment Tribunals Service, which is an Executive Agency.

(iii) Department of Social Security (DSS)

The DSS has responsibility for policy concerning the relationship between welfare and work incentives and is also responsible for the delivery of benefits, including those to the unemployed. Operational responsibility for the delivery of benefits is devolved to the *Benefits Agency*.

(iv) Department of the Environment, Transport and the Regions (DETR)

The DETR has responsibilities in the area of health and safety. It is the sponsoring department for the Health and Safety Executive, the functions of which are explained in Section 3 below.

2.2. Legal framework of activities

The question of whether the UK has a constitution has long been a matter for debate. No single document exists outlining the rules that define intra-governmental relations and relations between government institutions and citizens. The principles of the constitution are dispersed and are composed of statute law, common law, conventions, works of authority and European Community Law (Kavanagh 1996). Of these, statute law, made up of Acts of Parliament and subordinate legislation, has been pre-eminent, given that the judiciary recognizes only the authority of Parliament to make and set aside laws (the notion of “parliamentary sovereignty”). Since the European Communities Act 1972,

³ The introduction of the *Employment Relations Act 1999* has paved the way for the abolition of the CRTUM and CPAUIA.

however, European law has taken precedence over national Acts of Parliament that might conflict with it (Norton 1998).

While developments at the level of the EC have had an important influence over UK employment legislation, Governments have sought to limit the extent of the EC's influence. In 1989 the (then) Conservative Government refused to sign the *Community Charter of the Fundamental Social Rights of Workers* (the "Social Charter"). The Government also secured an agreement by which the UK could opt out of the "Social Chapter" of the Maastricht Treaty when it was signed in 1991. The "social dimension" would, it was claimed, result in escalating labour costs and an erosion of the competitive gains that were allegedly being delivered through the Government's policies of labour market deregulation and industrial relations reform.

Following the election of the Labour Government in May 1997, the decision was taken to end the opt out from the provisions of the Social Chapter. This was accomplished when the Government signed the *Treaty of Amsterdam*. In future, therefore, European legislation on employment rights will apply to UK workers. In December 1997, the EU Council of Ministers agreed to extend the European Directives on Works Councils and Parental Leave to the UK. The latter has recently been introduced with the passing of the *Employment Relations Act 1999*. The Government has until 15 December 1999 to incorporate the European Works Councils Directive into domestic legislation. On being elected, the Government also announced its intention to incorporate the *European Convention on Human Rights* into UK law. Despite being one of the initial signatories to the Convention, successive UK Governments failed to take steps to introduce it. The *Human Rights Act 1998* will take effect early in 2000.

The legal framework of the NSLA also comprises recognized international standards. The UK has ratified 67 Conventions of the International Labour Organization, and these are listed in Appendix 7. On occasion, however, UK governments have come into conflict with the ILO, for example following the Conservative Government's decision to ban trade unions from the Government Communication Headquarters (GCHQ) in 1984. This decision has recently been reversed.

2.3. Methods used by the ministries to fulfil their responsibilities and execute their programmes

Organizational changes within the British Civil Service have been important in the evolution of the NSLA. The creation of Executive Agencies and an increasing emphasis on performance measurement have been particularly notable innovations. When the first Thatcher administration took office in 1979 Sir Derek (now Lord) Rayner, then joint managing director of Marks & Spencer, was appointed in the capacity of "efficiency adviser". An "Efficiency Unit" was established, first under Derek Rayner and then under his successor, Sir Robin Ibbs of ICI. The Unit embarked upon "efficiency scrutinies" which sought to encourage managers to establish targets and objectives and emphasize "value for money" considerations (Jordan and O'Toole 1995). In 1982, The Financial Management Initiative was introduced. The FMI sought to encourage departments to define policy objectives and measure their performance against the targets set. "Cash limits" were set to cover running costs and manpower.

The Next Steps reports, produced through the auspices of the Efficiency Unit, contained proposals for a radical reorganization of the way the Civil Service was managed and monitored. A formal separation of service provision from policy work was envisaged whereby the former would become the responsibility of agencies working as businesses and headed by a Chief Executive. It was also suggested that agencies need not form part of

government (Jordan and O'Toole 1995). The first Next Steps Project Manager, Sir Peter Kemp, argued that:

Each service needs to be examined and regularly re-examined, to see if it is best delivered by the private sector; is deemed a vital part of departmental responsibility; or, lying somewhere between the two, whether it can be farmed out at arm's length to an Executive Agency (Kemp 1993: 19, cited in Jordan and O'Toole 1995: 6).

By Spring 1997, 80 per cent of all Civil Servants were working in more than 170 agencies or units operating along agency lines (Gray and Jenkins 1998b).

The key innovations introduced by the Conservatives between 1979 and 1997 look set to remain in place. Despite pre-election promises of a moratorium on the changes introduced into the Civil Service, Labour has not sought to suspend the practices of market testing, contracting out and privatisation introduced by its predecessor.

Policy coordination

(i) Government regional offices

There are nine Government Offices organized on a regional basis. They are responsible for coordinating the policies and programmes of the DfEE, DTI and DETR. Government Offices are responsible, on behalf of the DfEE, for contracting with Training and Enterprise Councils (TECs – see below). Government Offices promote partnership between organizations in the private and public sectors within their regions. They also give advice on the allocation of the Single Regeneration Budget and the European Social Fund.

The Government Offices are located in the following regions: North East, North West, Yorkshire & the Humber, West Midlands, East Midlands, East of England, South West, South East, London.

(ii) Regional Development Agencies (RDA)

The Government's white paper *Building Partnerships for Prosperity*, which was published in December 1997, introduced proposals for the creation of an RDA in each of the nine regions. The role of the RDAs is to "promote sustainable economic development and social and physical regeneration, and to coordinate the work of regional and local partners in areas such as training, investment, regeneration and business support" (DfEE 1998: 118). Eight RDAs were established as non-departmental public bodies on 1 April 1999. A further RDA for London will be established in April 2000. The RDAs have been provided with a Skills Development Fund of £39 million over the next three years. The fund is intended to provide support for regional skills initiatives.

Service delivery

Government Offices and the RDAs have a coordinating function. Service delivery is the responsibility of executive agencies and non-departmental public bodies.

(i) Executive Agencies (EA)

The creation of the Executive Agencies represented an attempt to introduce private sector values and practices into the Civil Service (McHugh 1998: 53). A framework document is drawn up for each Agency, setting out the basis for its relationship with the department, pay and personnel issues, and its accountability in terms of its finances and performance. The executive agency in effect signs a contract with a department to provide

a specific quality and level of service for a set budget (Budge and McKay 1993: 41). The Chief Executive is responsible to the minister for ensuring that the terms of the contract are observed. The Chief Executive is required to produce a business plan. The business plan includes details concerning actions for the year ahead and incorporates key performance indicators, performance targets, task priorities and assumptions about workload and resources (McHugh 1998: 55). Since agencies are semi-autonomous, they are not (at least in theory) subject to departmental direction once their budgets and objectives have been established.

The key Executive Agencies with responsibilities relating to the functioning of the NSLA are the Employment Service (ES), the Benefits Agency (BA) and the Employment Tribunals Service (ETS). The Employment Service has responsibility for the implementation of policies determined by the DfEE, the department within which it is located. It is headed by a Chief Executive who is in turn directly responsible to the Secretary of State for Education and Employment. The ES was created in 1987 to bring together the activities of the Jobcentre network and the former Unemployment Benefit Service. In 1990 it became an executive agency accountable to the Secretary of State for Employment. The ES became accountable to the Department of Education and Employment in 1995 following the merger of the Education and Employment Ministries.

The ES has seven Regional Offices in England and a Regional Office in both Scotland and Wales. These offices are headed by a Director who has responsibility for negotiating performance targets, allocating resources and ensuring that operational plans are implemented. The ES Head Office comprises four Directorates: Jobcentre Services, Policy and Process Design, Human Resources, and Finance. The Directors of the four Directorates, plus the Chief Executive, make up the ES board. Regional Office Directors also attend the board on a rotating basis. The Head Office negotiates performance targets for the ES as a whole, monitors performance and works with the DfEE to ensure the implementation of policy.

The other agencies of note are the Benefits Agency and the Employment Tribunals Service. The Benefits Agency is an executive agency located within the Department of Social Security. It currently employs approximately 67,000 members of staff and has responsibility for administering over 20 social security benefits. The majority of staff are based in a network of operational offices. There are, in addition, three Benefit Centres which handle transactions from certain London offices, and four Benefit Directorates which have responsibility for centrally administered benefits. The BA's Annual Report provides details of performance targets and achievements. In addition, the Chief Executive determines internal targets linked to the four core values of the BA, specifically: customer service, caring for staff, value for money, and a bias for action.

The Employment Tribunals Service (ETS) was launched on 1 April 1997. It provides administrative support to the Employment Tribunals and to the Employment Appeals Tribunal (see Section 3). Employment Tribunals, which were known as Industrial Tribunals until 1998,⁴ were first introduced under the 1964 Industrial Training Act which established a system of Industrial Training Boards (ITBs) (see Section 3). The purpose of the Industrial Tribunals was to hear appeals by employers against the levies imposed by the ITBs. Since this time, the remit of the tribunals system has been widened to cover unfair dismissal, redundancy and discrimination issues.

⁴ The name was changed following the introduction of the *Employment Rights (Disputes Resolution) Act 1998*.

As noted above, a central principle in forming the creation of executive agencies was the separation of policy-making from operational responsibilities. In practice, however, the distinction between policy and operational concerns and the separation of the responsibilities of Ministers from those of Chief Executives has sometimes proved difficult to maintain (Kavanagh 1996). Not only has Ministerial intervention occurred, but Chief Executives have also had an input into the formation of policy. When the Chief Executive of the Employment Service was questioned as to whether the ES could influence policy, he replied:

Indeed not only influence policy but, in fact, the Department look to us for information to enable policy formulation to proceed ... in our Framework Document there are two key sentences: one is that the Chief Executive is permitted to make proposals for policy changes to the Secretary of State, but equally important, and perhaps some would argue more important, there is also a sentence which says no policy proposals regarding the work of the Employment Service can be made to the Secretary of State until we have been consulted (quoted in Dowding 1995: 174).

The introduction of “market testing” (see Section 5) in relation to public services, including those provided by the executive agencies, has exposed the limits of the autonomy enjoyed by these bodies. The Government stipulated that 25 per cent of agency activities had to be subjected to market testing. Many Chief Executives saw this as an “infringement upon the concept of devolved management” (Pyper 1995: 138).

(ii) **Non-departmental public bodies**

Responsibility for key aspects of the operation of the NSLA is delegated to formally independent non-departmental public bodies (NDPBs). The most important of these are: the Advisory, Conciliation and Arbitration Service (ACAS); the Certification Officer (CO); the Commissioner for the Rights of Trade Union Members (CRTUM); the Health and Safety Commission (HSC); the Equal Opportunities Commission (EOC) and the Commission for Racial Equality (CRE). The services provided by these organizations are described within Section 3. Other aspects of their operation are dealt with in Section 4.

(iii) **Quangos**

Responsibility for the delivery of government-funded vocational education and training (VET) is delegated to Training and Enterprise Councils (TECs). Equivalent Local Enterprise Companies (LECs) have responsibility for VET in Scotland. There are a number of other national and industry level bodies with responsibilities in the area of VET. These are discussed in Section 3.

2.4. Responsibilities of the ministries other than those relating to field of activity specified by Convention 150 and Recommendation 158

In addition to having responsibility for industrial relations issues, the DTI has a wide remit which encompasses Small Firms, Information Technology, Manufacturing Technology, Competition and Industrial Policy. The DfEE’s responsibilities include compulsory and post-compulsory education.

2.5. Objectives and Strategies

Specific programmes, objectives and priorities are established at departmental level. These feed through into the objectives for the individual directorates, branches and work

sections. In line with Investors in People (IIP) principles,⁵ objectives are defined for individual members of staff within the departments. Objectives and targets for executive agencies are the outcome of discussions between departments and agencies. The following section briefly surveys the objectives and targets that apply to the principal bodies involved in the NSLA.

(i) Department for Education and Employment and the Employment Service

The DfEE has identified a list of objectives and targets for 2002 in the areas of schools, vocational education and training, and employment. The DfEE's aims, objectives and values are made available to the public through its annual *Business Plan* and also through the Internet. The DfEE's overarching goals are as follows:

- (i) "an inclusive society, where everyone has an equal chance to achieve their full potential"; and,
- (ii) "globally competitive economy, with successful firms and a fair and efficient labour market".

In striving to attain these objectives, the DfEE has identified targets for 2002. The targets relevant to labour administration are as follows:

- (i) "an increase in the coverage of nursery places for 3 year olds from 34 per cent to 66 per cent by 2002, focusing on the most deprived areas of the country;
- (ii) an increase in the proportion of those aged 19 achieving NVQ Level 2 or equivalent from 72 per cent to 85 per cent by 2002;
- (iii) 60 per cent of 21 year olds with a level 3 qualification;
- (iv) 28 per cent of adults with a level 4 qualification;
- (v) to reduce non-learners by 7 per cent by 2002;
- (vi) 45 per cent of medium-sized or large organization, and 10,000 small organizations recognized as Investors in People (this represents over 500,000 new learners by 2002);
- (vii) an annual target for placing people into work in 1999-2000, including within it individual targets for the number of Jobseeker Allowance (JSA) claimants unemployed for more than six months placed into work and those with disabilities. Targets for the New Deals in 1999-2000, including New Deals for lone parents and disabled people (for which the Department for Education and Employment and the Department for Social Security are jointly responsible) are updated annually for each succeeding financial year. All of those targets are published in the Employment Service's Annual Performance Agreement".

⁵ Investors in People, which was introduced by a Conservative Government in 1991, is a national standard which can be awarded to organizations that meet specified criteria relating to the training and development of their employees. The scheme is administered by the Training and Enterprise Councils (see Section 3.2) according to procedures monitored by Investors in People UK, a non-departmental body "licensed by the DfEE to act as a guardian and promoter of the IIP standard throughout the UK" (Alberga et al. 1997: 47).

In addition to identifying targets for 2002, the DfEE has identified a number of key goals for 1999-2000. The goals relevant for labour administration are as follows:

- (i) “greatly expanding National Traineeships – increasing from 30,000 young people starting on National Traineeships to around 100,000 starts by March 2000, implementing the new Right to Time Off for study or training for 16 and 17 year old employees from September 1999, and development of pre-vocational provision for those who need help and support;
- (ii) developing local learning partnerships (to be in place by September 1999) to take ownership of delivery of the National Targets;
- (iii) to prepare for successful implementation of agreed changes to A levels, GNVQs and Key Skills qualifications from September 2000 and make significant improvements to the quality of vocational qualifications;
- (iv) to support the vision in the Learning Age by ensuring choice in the provision of learning opportunities and encourage personal responsibility for employability and lifelong learning, in particular through: putting in place (by March 2000) a sustainable national framework for the provision of individual Learning Accounts; improving quality and standards, promoting employability, and widening access for young people and adults in further and higher education with an extra 178,000 students in Further Education and 36,000 in Higher Education; creating the foundations of the University for Industry to be launched in 2000; implementing, from June 1999, a new strategy for adult basic skills to improve quality and move towards achieving a target of 500,000 people a year helped in 2002;
- (v) to implement the Government’s Welfare to Work programme by placing a number of unemployed people into work through the Employment Service; with the Department for Social Security, Employment Service and the Benefits Agency, introducing legislation to implement Employment Zones, the New Deal for Partners and the Single Work-Focused gateway by July 1999; with the Department for Social Security, Employment Service and the Benefits Agency, launching initial pilots for Single Work-Focused Gateway in June 1999 and a further phase in November; with the Employment Service, refining the implementation of the New Deals for Young and Adult Unemployed, and Lone Parents, in the light of experience and placing a number of young and adult unemployed into work; through the Employment Service, launching a New Deal for the over 50s in pathfinder areas from October 1999, and nationally in 2000”.

The individual Directorates within the DfEE set out their objectives and key tasks in specific Business Plans and these are reviewed by the Permanent Secretary every six months so as to assess progress. Within the departmental and directorate objectives, personal objectives for staff members within the DfEE can be agreed.

A set of targets for the ES is produced each year by the Secretary of State and published in the form of an Annual Performance Agreement. Coinciding with the publication of the Agreement, the ES produces an Operation Plan which specifies how it will attempt to achieve the targets set, as well as setting out its priorities for the coming year. Ministers review the ES’s performance on a quarterly basis. Objectives are specified in operational terms to facilitate the linking to performance targets (Dowding 1995).

The ES’s central aim is to “contribute to high levels of employment and growth, and to individuals leading rewarding working lives, by helping all people without a job find work and employers to fill their vacancies”. It also sets out the following objectives:

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- “to help people into work by providing appropriate advice, guidance, training and support either directly or in partnership with others;
 - to concentrate efforts on helping people improve their employability and move from welfare to work, particularly if they have already spent long periods without a job;
 - to involve people with disabilities in the world of work by helping them to find and retain jobs and encouraging employers to open more opportunities to them;
 - to set out clearly the rights and responsibilities of people who claim JSA and ensure that throughout the period of their claim these rights and responsibilities are fulfilled;
 - to provide a courteous and professional service to all jobseekers;
 - to deliver these services cost effectively”⁶.

(ii) Department of Trade and Industry

The aims and objectives of the DTI as a whole are given in its “strategic framework” for 1999-2000 (DTI 1999). The DTI’s principal aim is to “increase competitiveness and scientific excellence in order to generate higher levels of sustainable growth and productivity in a modern economy”. To this end, the department has identified four objectives: “to promote enterprise, innovation and increased productivity”; “make the most of the UK’s science, engineering and technology”; “create strong and competitive markets”, and “develop a fair and effective legal and regulatory framework”.

Like other departments, the DTI has identified key priorities for 1999-2000 and targets for 2002. The key priorities relevant to labour administration are as follows:

- (i) “establish a framework of rights and duties for employers and employees, raise the profile of partnerships in the workplace, and ensure that EU developments which affect labour markets reflect UK interests and competitiveness objectives;
- (ii) carry out reviews of the existing legislative and regulatory framework, including reviews of company and insolvency law”.

(iii) Department of the Environment,
Transport and the Regions

The overall aim of the DETR is to “improve the quality of life by promoting sustainable development at home and abroad, fostering economic prosperity and supporting local democracy” (DETR 1998). Its central objective with respect to health and safety is to: “Improve health and safety by reducing risks from work activity, travel and the environment”.

⁶ Taken from the Employment Service website.

2.6. Organization and management

Human resources

Departments and agencies are staffed by Civil Servants.⁷ According to Budge and McKay (1993) the higher Civil Service is composed of generalists rather than experts. Civil Servants are shifted between jobs or departments at regular intervals, a characteristic that distinguishes them from their counterparts in other comparable nations. Reforms introduced by Conservative Governments after 1979 led to changes in the distribution of responsibilities across departments and the transfer of responsibilities to bodies other than the Civil Service. These developments resulted in a considerable decline in the number of Civil Servants employed. When Margaret Thatcher came to power in 1979, employment within the Civil Service stood at 732,000 (Pyper 1995). Civil Service numbers fell by more than 150,000 between 1979 and 1987 and by April 1996 the total figure had dropped to 494,300 (Gray and Jenkins 1998a: 328).

Overall responsibility for coordinating and managing the Civil Service is divided between the Treasury and the Cabinet Office. The Treasury's responsibilities encompass the structure of the Civil Service, recruitment policy and controls over staffing, pay and pensions (Central Office of Information 1995). The Office of Public Service, which is contained within the Cabinet Office, has responsibility for the following aspects of human resource management:

- Civil Service Management Code;
- Civil Service Statistics, including personnel statistics;
- Conduct and discipline;
- Equal opportunities;
- Fast Stream entry to the Civil Service and European Fast Stream;
- Pensions.

The major part of the responsibility for operational human resource issues resides with departments. Independent Civil Service Commissioners are responsible for recruitment in the case of Senior Civil Servants⁸ while individual departments have direct responsibility for other areas of recruitment (Gray and Jenkins 1998a).⁹ Departments take responsibility for approximately 95 per cent of total recruitment (Central Office of Information 1995).

Recruitment takes place at a number of levels and through different routes:

⁷ Occupational classifications for the Civil Service are reproduced in Appendix 1.

⁸ The Senior Civil Service was created in 1996 and comprises approximately 3,000 individuals in positions previously defined as Grade 5 or Assistant Secretary and above (Mountfield 1997: 308).

⁹ Since 1983 Departments have had the power to recruit directly in the case of junior grades. In 1991 the recruitment responsibilities of the Departments were expanded to encompass all positions below grade 7 (Pyper 1995).

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- (i) *Mainstream up to Executive Officer (Junior Manager)*: vacancies for these posts are advertised in the local/regional press and in some Jobcentres. Half of the Junior Managers employed within departments and agencies are graduates, but it is for the departments and agencies themselves to determine the level and type of qualifications they require. At present, the minimum qualifications are generally two GCE A levels and three GCE/GCSEs, one of which must be English language. Equivalent qualifications are also accepted (e.g. National Vocational Qualifications, Higher National Diplomas).

The ES also recruits on the basis of competency. Applicants have to provide evidence of competence in areas such as: “getting on with people”; “planning and prioritizing work”; “making decisions”; “managing a team”; “written and oral communication”; “adapting to and managing change”; “numeracy”; and “developing others”. All vacancies in the ES are advertised through Jobcentres and the local papers.

- (ii) *Fast stream development programme*: this programme recruits graduates who have the potential to fill the more senior Civil Service positions. The minimum requirement is a second class honours degree in any discipline, or an equivalent qualification. Most of those recruited have at least an upper second class degree.
- (iii) *Specialist careers*: for some posts a specialist degree is required. In the DfEE, for example, a degree is required in mathematics, statistics, social sciences, librarianship or the humanities for certain positions.

While departments are free to operate their own recruitment schemes (Pyper 1995), recruitment practices must conform to rules laid down by the Minister for the Civil Service. Most recruitment takes place at clerical and junior management levels (Central Office of Information 1995). Recently, however, recruitment throughout the Civil Service has been “opened-up” with more senior and middle-level appointments being made on the basis of open competition (Mountfield 1997).

Departments have called upon the services of the Recruitment and Assessment Services Agency (RAS), a privatised executive agency which was established in 1991 to take on most of the recruitment functions formerly performed by the Civil Service Commission.¹⁰ The RAS (which has been part of the Capita Group PLC since 1996) has been contracted to undertake recruitment into the Civil Service “fast-stream” (Pyper 1995).

Overall, the role of central personnel functions has been reduced. Until recently, the Civil Service was covered by national bargaining based on incremental scales linked to a common grading structure (Pyper 1995). Departments and Agencies have now been encouraged to develop their own grading and remuneration structures, although within a common framework (Mountfield 1997). The incremental scales have been replaced by a new payment system that places Civil Servants on a salary point within a “pay range” for their grade. The new payments system is linked to a common performance appraisal system which results in those Civil Servants whose performance is deemed “unsatisfactory” losing out on annual pay increases (Pyper 1995). The DTI, for example, introduced a new staffing and pay structure to replace the central Civil Service structure on 1 August 1997. The new system affects only those employees below Senior Civil Service level. According to the DTI “it is designed to ensure a more responsive system and a closer match between work, jobs, people and pay, which became subject to delegated

¹⁰ Established in 1855, the Civil Service Commission had responsibility for overseeing the competitive examination upon which recruitment to the Civil Service has been based.

departmental responsibility in 1996” (DTI 1998: 110). The system has replaced more than 60 separate DTI grades with 11 pay bands, grouped as follows:

- A: covering administrative support functions;
- B: covering junior management and other executive functions; and
- C: covering middle management below the Senior Civil Service.

The expectation is that these new arrangements will produce “value-for-money benefits which are greater than those available through centrally controlled negotiation” (Central Office of Information 1995: 23). Responsibility for personnel issues has increasingly been devolved to line managers. Internal recruitment is handled by advertising positions through the internal electronic mail system. Line managers have a key role in the process of selecting from candidates.

Managing the Executive Agencies

Agencies are responsible for their own budgets, pay, staffing and recruitment concerns (Kavanagh 1996). The parameters within which the agencies are managed are outlined in a framework document which provides:

- an outline of the agency’s objectives and the targets against which its performance should be measured;
- details concerning finance and human resource management;
- an outline of the relationship between the department and the agency (Gray and Jenkins 1998b).

The framework document is a product of negotiations involving the Next Steps Units, the Treasury and the parent department. It is typically reviewed after five years (Gray and Jenkins 1998b).

Responsibility for appointing the Chief Executive of an executive agency rests with the relevant Secretary of State (Pyper 1995). Chief Executives are typically recruited through open competition and appointed for a period of between three and five years. This practice has also become the norm for Senior Civil Service appointments and may be helping to reverse an established tendency to neglect managerial skills in the Civil Service (Budge and McKay 1993). Agency Chief Executives are employed on fixed-term contracts and their salaries contain a performance-related element linked to agency targets.

Since April 1994, all agencies with over 2,000 staff have had the freedom to manage their own pay bargaining. The *Civil Service (Management Functions) Act 1992* also allows the Treasury to delegate to Agencies the power to alter terms and conditions of employment (Gray and Jenkins 1998b). However, Departments tend to retain control over the career paths of more senior staff (Central Office of Information 1995).

Employment in the NSLA

The following table shows the overall level of employment within the principal departments involved in the NSLA.

Department	Total	Of whom in agencies
Education and Employment	33 834	29 309
Trade and Industry	8 495	4 090

1. The totals relate to permanent staff excluding casual staff.
 2. Part-time staff are recorded according to the proportion of full-time hours worked.
 3. The figures are for 1 January 1999.
- Source: Civil Service Statistics web page.

The Employment Relations Directorate of the DTI employs approximately 225 staff excluding casual/fixed term appointments.

The following table provides details of staff numbers in the principal Executive Agencies involved in the NSLA.

Agency	Total
Employment Service	29 309
Employment Tribunals Service	560
Benefits Agency	67 081

The figures are for 1 January 1999.
Source: Civil Service Statistics web page.

Not all staff are in permanent posts. Some appointments are on the basis of fixed-term contracts. The Civil Service Commissioners stipulate, however, that casual staff should be appointed for a maximum period of 12 months, barring “permitted exceptions”. The following table sets out the numbers of casual staff in each of the principal departments involved in the NSLA.

Department	Total
Education and Employment	268
Trade and Industry	78

1. The totals include all staff in the Executive Agencies.
 2. Part-time staff are recorded according to the proportion of full-time hours worked.
 3. The figures are for 1 January 1999.
- Source: Civil Service Statistics web page.

The ERD employs 15 casual or fixed-term staff, all of whom work on a full-time basis. The following table provides a summary.

Status	Number	Gender
Casual	8	5 female, 3 male
Fixed-term	3	All male
Unestablished	1	Male
Assisted places	3	n/a

Source: Employment Relations Directorate. Figures are for August 1998.

The following table provides a breakdown of employment within the principal departments by gender and employment status.

	Full-time			Part-time		
	Men	Women	Total	Men	Women	Total
DfEE	10 666	17 563	28 229	337	7 391	7 728
DTI	4 762	3 170	7 932	74	798	872
ERD	103	97	200	0	25	25

Total staff	Men	Women	Total
	DfEE	11 003	24 954
DTI	4 836	3 968	8 804
ERD	103	122	225

Figures for the DfEE and DTI are for 1 April 1998. The ERD figures are for August 1998.
Source: Civil Service Statistics 1998/ERD.

The following table indicates the proportions of female, ethnic minority and disabled workers within the DfEE by grade.

Grades including equivalents	Women as percentage of the total	Ethnic minorities as percentage of the total	Disabled as percentage of the total
Senior civil servants	23	1	2
Grade 6	19	--	5
Grade 7	35	2	4
Senior Executive Officer	33	2	6
HEO	48	4	4
Executive Officer	57	7	5
Administrative Officer	72	11	4
Administrative Assistant	62	9	8
Total	54	7	5

Source: DfEE 1999: 168. The figures are for 1 October 1998. Below Senior Civil Service level they exclude staff on unpaid leave, staff in Government Offices and the ES and casual employees.

Figures relating to the employment of ethnic minorities and those with disabilities are not available for the ERD, although data is available for the DTI as a whole. The DTI reports information about the employment of women and minority groups in the following way:

During 1998 there was small increase in the proportion of women in managerial grades (Bands B and C) which is now around 33 per cent; female representation in the Senior Civil Service was 18.5 per cent; 6 per cent of staff (including 6 per cent of staff in the Senior Civil Service) worked part time; 14 per cent of staff were known to be of ethnic minority origin, and there was a small

increase in ethnic minority representation at managerial level (Bands B and C); and 4 per cent of staff were known to have a disability and staff with disabilities were employed at all levels including in the Senior Civil Service (DTI 1999: 123).

Among the DTI's priorities for 1999-2000 is the launch of a Programme of Action to tackle racial inequality and address the needs of female and disabled employees.

Training

Training is largely the responsibility of departments and agencies. The larger departments have training divisions. All departments are expected to work towards accreditation as Investors in People and to implement training and career development plans (Gray and Jenkins 1998a).

There is an expectation, as reflected in the Personal Action Plans identified for individuals at the start of each year, that Civil Servants in the various departments and directorates will undertake training. Maor and Stevens (1997: 537) argue that training is directed more at achieving organizational goals than the personal objectives of individual Civil Servants.

A relatively large number of training courses are available, ranging from employment law to management and communication skills. Civil Servants can, in conjunction with their line managers, identify courses they would like to attend and these are paid for out of the training budget. Individuals have access to courses run by the departments and directorates as well as those run by external organizations. In addition, the Civil Service College, which was established in 1970, provides training in "administration and management to generalists and specialists, fast-stream civil servants and senior staff" (Central Office of Information 1995: 18). The Civil Service College is now a "Next Steps Executive Agency" located within the Office of Public Service (Cabinet Office). It provides programmes which lead to externally validated qualifications in areas such as "personnel management; internal audit; purchasing and supply; training, management services and internal consultancy and formal British Computer Society qualifications" (Central Office of Information 1995: 29). The Office of Public Service has also had a major role in establishing two MBA courses which emphasize the creation of skills relevant to both the public and private sectors (Maor and Steven 1997: 538).

The trend has been towards a "marked, and increasing, diffusion of responsibility for training within the civil service ... in training, as in other spheres, we seem to be witnessing a move towards what might be described as a more federal, less unitary structure" (Pyper 1995: 45).

The DfEE has recently reviewed its training and development strategy. As a result, more emphasis is being placed on management, leadership and IT training. The Department has also provided additional support for secondment and twinning arrangements. The DfEE is providing additional training programmes for staff of an ethnic minority origin (Equal Chance) and for female employees (Springboard). The ES has also published a new training strategy and has implemented a training programme to support Welfare to Work and the New Deal (see Sections 3 and 6 for a full discussion of the New Deal).

The DTI's internal training needs are provided for by a public-private partnership, the PTS Consortium. The DTI has been sponsoring staff taking distance learning and MBA courses, as well as those seeking specialist qualifications in areas such as accountancy. While training budgets are devolved to management units within the departments, there have been a number of DTI-wide training programmes. The Departmental Training Plan for 1998-99 was designed to emphasize department-wide goals. The plan included training

on resource accounting and budgeting (RAB) systems, developments in Europe and information technology (DTI 1999).

Both the DfEE and the DTI are pursuing Investors in People accreditation across their entire organization. DfEE achieved IiP status in January 1999. The DTI is hoping to achieve recognition as an Investor in People for its headquarters in autumn 1999. The interest in IiP is a result of two white papers¹¹ published under the last Conservative Government that signalled an intention that “by the year 2000, all civil servants will be employed in organizations recognized as Investors in People”. The ETS achieved IiP status in 1998. By the beginning of 1999, 20 of the HSC/Es divisions (accounting for 99 per cent of staff) had achieved IiP status. The ES is also registered as an Investor in People and is the largest Government department or agency to be recognized in its entirety for IiP.

Budgetary aspects

Up until very recently, budgets were set at the end of the year for the following year. While there was an expectation that these should be adhered to, provision was made for departments to go beyond their budget in exceptional circumstances through reallocation of resources from elsewhere in Government.

Prior to being elected, the current Government decided that it would observe the overall spending ceilings determined by its Conservative predecessor for 1997-98 and 1998-99. Levels of funding beyond these periods have recently been determined as a result of the Government’s “Comprehensive Spending Review” (CSR). The CSR required departments to review the efficiency and effectiveness of their existing activities and programmes. Officials from the Treasury, the Downing Street Policy Unit and the Efficiency Unit were involved in the departmental review process. The CSR has informed decisions relating to programmes, expenditure and objectives for the remainder of the current Parliament. It has resulted in the introduction of new allocation and planning systems within departments designed to achieve a better match between resources and objectives.

The allocation of resources within the executive agencies is the responsibility of the Chief Executive, subject to commitments provided in the “Public Expenditure Surveys” (which constitute departmental claims for resources from the Treasury) or other agreements with the parent department or Treasury. If the allocation of resources has wider implications for the parent department, then the Chief Executive will consult with that department.

(i) Department for Education and Employment

The “Public Expenditure Survey” (PES) and priorities for the DfEE emerge from discussions involving the DfEE Board and the PES Coordination Group. The ES is represented on both of these groups. The DfEE determines the content and form of submission made to the Treasury. The ES is expected to submit its PES requirements, providing information about priorities and planning assumptions as well as details concerning cost effectiveness and “value-for-money” improvements. The DfEE then considers the ES’s submission in relation to its own strategy and a recommendation about resource allocation is made to the Secretary of State.

¹¹ “Competitiveness: Creating the Enterprise Centre of Europe”, and “Development and Training for Civil Servants: A Framework for Action”.

Once the PES settlement has been allocated to the ES, the Chief Executive consults with the DfEE and advises the Secretary of State on any alterations to the operation of policy, services or activities which might be necessary as a result of the allocation. The basis for assessing resource requirements is agreed between the DfEE and the ES and reviewed regularly.

The DfEE's planned resources for 1998-99 were as follows:

Activity	£ billion
Further Education	3.3
Higher Education	3.8
Schools	1.5
Under 5s	0.1
Training	1.6
Employment Service	0.9
Employment	0.5
Student Support	1.1
Total	12.7

Note: Figures are rounded and therefore do not add to the total. The figures do not include £19.4 billion to Local Authorities in England to spend on education.

Source: DfEE 1998.

(ii) Department of Trade and Industry

Funding for Employment Relations has increased since the election of the Labour Government. In the main, the increased provision for Employment Relations reflects large increases in the provision made for "programme awareness and support activities", primarily "expenditure on materials and activities to enhance awareness of statutory rights and other measures in support of improved employment relations", as well as a large increase to deal with EU Directives (DTI 1998). The latter is a reflection of the Government's decision to end the UK's opt out from the "Social Chapter".

Employment relations expenditure by the DTI for the period 1997-2000 is as follows.

	1997-98	1998-99	1999-2000
	Out-turn (£ million)	Estimated out-turn (£ million)	Planned (£ million)
Employment Tribunals Service	39.9	40.5	43.1
Redundancy Payments Scheme	100.6	137.8	123.0
Other programme costs	1.3	7.2	8.6
Grant-in-aid to ACAS	24.1	26.2	27.5

Source: DTI (1999).

A further factor influencing resource issues is the Private Finance Initiative, which encourages the formation of partnership funding arrangements between the public and private sectors. The DfEE and ES, for example, have commissioned a study to explore "the feasibility of transferring their estates to a private sector partner, who would provide fully

serviced and managed accommodation to meet the core needs of the two organizations” (DfEE Departmental Report 1998: 134).

2.7. Internal coordination

The increasing emphasis which has been placed on financial controls has led to an increase in the coordinating role played by the Treasury. There are, however, no internal coordinating bodies regulating the division of responsibilities across the main departments. Given the potential for overlap and uncertainty, however, the DfEE and the Employment Relations Directorate of the DTI keep in very close touch with one another. In the event of serious problems emerging, the Cabinet Office¹² has responsibility for determining where the relevant interests lie. Some have criticized the lack of inter-departmental coordination, arguing that the increased “strategic management” capacity of the Civil Service has coincided with a declining “strategic policy capacity” (Richards 1996).

¹² The Cabinet Office comprises around 650-700 Civil Servants who have responsibility for functions “ranging from the preparation of agendas for meeting of the full Cabinet and Cabinet committees, briefing committee chairmen, taking minutes, circulating decisions and chasing up their implementation” (Pyper 1995: 93).

Section 3. Service provision and legislation

This section sets out the main services provided under the National System of Labour Administration and explains how these are delivered.

3.1. Employment services

The following section provides details about services¹³ provided in the area of employment and the bodies through which they are delivered. The major provider of services is the Employment Service which delivers services through a network of approximately 1,000 Jobcentres. These are supported by the ES's District, Regional and Head Offices. Jobcentres are headed by a Business Manager and employ between 10 and 100 personnel. Jobcentres are responsible to District Managers who provide the link between policy makers at Regional and Head Office level and service delivery. Typically, a District Manager will oversee between 6 and 10 Jobcentres. District Managers are responsible for ensuring that policies developed at Regional and Head Office levels are implemented by Jobcentres. District Managers also assist Jobcentres in achieving their performance targets by ensuring coordination between the various offices and through resource allocation.

The main services provided by the Jobcentres are as follows:

- displaying job vacancies and ensuring that these are still available and up to date;
- matching those seeking work to job vacancies and providing assistance in job searching activities;
- providing and taking new claims for Jobseeker's Allowance (JSA). JSA replaced Unemployment Benefit and Income Support for the unemployed in October 1996. The ES and the Benefits Agency work in tandem in providing the JSA through Jobcentres. Benefits Agency employees are responsible for calculating and delivering JSA payments and work alongside ES employees in Jobcentres;
- providing advice to the short- and long-term unemployed and ensuring access to employment and training programmes for these groups;
- facilitating access to specialist services for disabled jobseekers;
- making available information concerning local employment and training opportunities.

The main programmes currently offered by the ES are:

- **Programme centres:** this scheme is designed to provide individually tailored help to the unemployed.
- **Jobclubs:** these provide help with job applications, curricula vitae and telephone and interview techniques. Since April 1999 Jobclubs have been provided with greater freedom to tailor provision to the Districts in which they operate.

¹³ Details concerning individual programmes are taken from DfEE and ES Annual Reports, Operational Plans and web pages.

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- **Jobplan workshops:** these are available to unemployed workers aged 25 and over who have been out of work for 12 months. Workers undergo an assessment and receive guidance and assistance with confidence building.
 - **Travel to interview scheme:** this covers the costs of travelling to job interviews beyond normal daily travelling distance in the UK. It is available to workers who have been unemployed for 13 weeks. The scheme provides help to victims of large-scale redundancies and is available to those participating in the New Deal for Lone Parents.
 - **Work trials:** these provide an opportunity for those individuals who have been unemployed for more than six months to demonstrate their suitability for a particular job to an employer. In addition, they provide the individual with a chance to decide whether they are capable of doing the job. Participants continue to receive JSA in addition to travel expenses. Work Trials may last up to 15 working days.
 - **Jobfinder's grant:** this is a single payment of £200 which can be claimed by an individual who has been unemployed for more than two years if they start work in a job paying £200 a week or less.
 - **Jobfinder Plus:** this scheme comprises a mandatory series of caseload interviews and is targeted at unemployed workers aged 25 and over who have been unemployed for 18 months or longer and who are not participating in a New Deal.
 - The ES also supports **Work-based learning for adults** which is a DfEE programme run through TECs and LECs.

The ES also provides a range of services designed to help workers with disabilities:

- The ES employs 650 Disability Employment Advisers who are based in Jobcentres.
- A programme entitled "Access to Work" provides practical support, such as equipment and adaptations to workplaces.
- Under the "Job Introduction Scheme" employers who take on a disabled worker are paid a grant for the first six weeks of employment where doubts exist about whether the job is within the worker's capabilities.
- "Work Preparation" helps unemployed disabled workers in areas such as confidence building, basic and interpersonal skills development and job seeking.
- "Supported Employment", which is run in partnership with local authorities, voluntary organizations and Remploy, provides employment opportunities to severely disabled workers.
- The ES has also developed a "national Disability Development Initiative" designed to ensure a more effective, coordinated national approach to meeting the needs of disabled workers.

The New Deal

The ES has a pivotal role within the Government's Welfare to Work programme, which covers "New Deal" opportunities for the young and long-term unemployed, lone parents and the disabled. The "New Deal" represents the most important component of the Government's approach towards the labour market and welfare reform. The emphasis of the New Deal is on helping the unemployed to leave welfare and enter employment.

According to the Employment Service, more than 52,000 companies had signed New Deal agreements by May 1999. The Government has committed up to £3.5 billion to New Deal over a four-year period.

The New Deal for Young People was launched nationally in April 1998. The initiative, which targets young people aged 18-24 who have been in receipt of JSA for in excess of six months, provides four options as follows:

- work with an employer. The employer receives a subsidy of £60 per week for six months and support towards training costs for the young employee;
- six months work and training in the Voluntary Sector;
- a six-month placement on the Environmental Task Force involving work and training;
- full-time training and education, allowing young people to study towards a recognized qualification for up to a year.

Before taking up a New Deal option, young people first spend four months with a personal adviser who provides advice and helps the individual arrive at an employment plan. This period is known as the "Gateway".

The New Deal for those aged 25 or over was launched nationally on 29 June 1998. It is targeted at workers who have been unemployed for in excess of two years. Employers who offer an individual at least 30 hours of employment per week receive a weekly subsidy of £75 for a period of six months. Employers who offer between 16 and 29 hours of employment receive a subsidy of £50 per week. The New Deal also offers opportunities for individuals to embark on full-time education. The regulations governing Jobseeker's Allowance have been altered so as to allow people to undertake full-time education for up to a year without losing JSA (DfEE 1999).

The New Deal for lone parents was launched nationally in October 1998. It is designed to help single parents gain employment. While all lone parents are eligible, the programme primarily targets lone parents on Income Support whose youngest child is attending school. Responsibility for the New Deal for lone parents is shared between the DfEE and the DSS.

A New Deal scheme is also being introduced for partners of unemployed workers. This scheme comprises voluntary and mandatory programmes and is being funded by £60 million from the Windfall Tax on privatised utilities. The former scheme, which has already been introduced, is targeted at partners of unemployed workers who have been claiming JSA for six months or more and are claiming for their partner. Following an interview, childless partners aged 18-24 have the opportunity to access the New Deal for Young People while those aged 18-24 with children and those aged 25 and over have the opportunity to take part in an individually-tailored "ongoing case-loading programme" (DfEE 1999: 129). The mandatory programme will be targeted at couples who have been jointly claiming JSA for six months or more. Individuals aged 18-24 without dependent children will be required to go on to the New Deal for Young People, while older partners will have access to New Deal and other employment-related programmes. The mandatory scheme is due to start in October 2000.

A further New Deal initiative is being launched to help the disabled enter employment; £195 million has been made available to fund the initiative. The programme, developed by the DfEE and DSS, will provide a Personal Adviser service and information about employment opportunities. Twelve pilot schemes have been introduced. The

Government will consider national implementation of the scheme sometime after April 2000.

A final New Deal initiative was announced in March 1999. The New Deal 50plus will help workers aged 50 and over who have been unemployed for six months. The New Deal will provide access to a personal adviser, access to an employment-related scheme, an Employment Credit of £60 per week for up to a year and a training grant worth £750 for those who move back into work. It is anticipated that the initiative will be launched nationwide in 2000.

Building on the experience of New Deal, the Government has introduced plans for a "Single Work-Focused Gateway" (known as "ONE"), currently being piloted in 12 areas. The initiative represents an attempt to respond to the individual needs of the unemployed and, through a personal adviser, will provide assistance in overcoming barriers to labour market activity. It will integrate activities undertaken by the Benefits Agency, the Employment Service and local authorities.

The Government is also planning to launch "Employment Zones" in April 2000. The Zones will last for two years in at least 14 areas suffering from persistent levels of long-term unemployment. Following a three-month period in the "gateway", the initiative will provide unemployed workers with a "Personal Job Account" for six months. The account will include subsistence payments in addition to funding for training and job seeking. Prototype Employment Zones have been operating since February 1998 in five areas of the country.

3.1.1. Other employment services

Services provided by Ministries

(i) *Race Relations Employment Advisory Service (RREAS)*

RREAS promotes Government policy on race equality in employment. It helps employers introduce policies to tackle racial discrimination, works with employers who already have equal opportunities policies to review and improve them, and develops employment initiatives to encourage equality in partnership with other bodies. The DfEE plans to provide the service with £700,000 over the period 1999-2000 (DfEE 1999: 143).

(ii) *Work permits*

Work permits are provided by the DfEE's Overseas Labour Service.

(iii) *Employment agency standards*

The DTI has responsibility for the Employment Agencies Standards Inspectorate (EASI) which enforces the minimum standards protecting those hired by Employment Agencies as established under the *Employment Agencies Act 1973*. The EASI operates through a central telephone service which deals with complaints. Ten thousand calls were received in 1998 and approximately 1,300 formal investigations initiated. Frequent complaints concern non-payment of wages and failures to provide correct contractual documentation. Since 1995, the DTI has also had the power to seek to prevent individuals from establishing agencies. During 1998-99 six "prohibition orders" were obtained. The *Employment Relations Act 1999* has strengthened powers to regulate Employment Agencies.

(iv) *Redundancy payments scheme*

The DTI also has responsibility for statutory Redundancy Payments (see Section 3.4 below). Such payments are made by the DTI's Redundancy Payments Service from the National Insurance Fund in instances where an employer is unable to make redundancy payments owing to insolvency or other financial difficulties. Other payments due to employees, for example arrears of pay or holiday pay, may be paid out of this fund.

Key non-departmental bodies providing employment services

(i) *Health & Safety Commission/Health & Safety Executive*

The HSC/HSE are statutory bodies who define their aim as being "to ensure that risks to people's health and safety from work activities are properly controlled" (HSC 1997: 5). The HSC is responsible to the Secretary of State for the Environment, Transport and the Regions, and also to other Secretaries of State, for the application of the Health & Safety at Work Act 1974. Members of the HSC are appointed by the Secretary of State for the Environment, Transport and the Regions after eliciting the views of organizations representing employers, employees and others as deemed appropriate.

The HSE, which has a staff of approximately 4,100, has responsibility for enforcing health and safety legislation on a day-to-day basis under general guidance from the HSC. The HSE's activities are set out in its 1997-98 Annual Report as follows: "modernizing, simplifying and supporting the regulatory framework, including European Union and other international work"; "securing compliance with the law in line with the principles of proportionality, consistency, transparency and targeting on a risk-related basis"; "providing appropriate information and advice"; "promoting risk assessment and technical knowledge as the basis for setting standards and guiding enforcement activities"; "operating statutory schemes, including regulatory services"; and "maintaining an efficient and effective central service which promotes and secures value for money".

Legislation is enforced by HSE inspectors. White (1992: 201) describes the function of the inspectors as follows:

It is within an inspector's power to issue an employer with an "improvement" or "prohibition" notice in connection with an employer's infraction [of the legislation], but, in reality, the inspector is more likely to attempt conciliation with the employer. It is extremely rare for the HSE to take enforcement action.

(ii) *Commission for Racial Equality (CRE)*

The CRE was established by the Race Relations Act 1976 and given the duties of working towards the elimination of discrimination, promoting equal opportunities and good interracial relations and keeping the Race Relations Act under review (Civil Service 1998: 799). It is responsible to the Home Office.

(iii) *Equal Opportunities Commission (EOC)*

Like the CRE, the EOC's remit is to work towards the elimination of discrimination. The EOC has responsibility for promoting equality between men and women and for keeping under review the *Sex Discrimination Act* and the *Equal Pay Act*. Like the CRE, it produces guidelines for best practice in selection and recruitment and other aspects of employment where equal opportunities issues might arise. The EOC can grant assistance to individuals proposing to take a case under the *Sex Discrimination Act* or *Equal Pay Act* (see below). It can also grant assistance for representation at court or an Employment Tribunal (see below).

The EOC's Corporate Plan for 1997-2001 sets out eight principal tasks for the organization as follows: promoting equality in employment; facilitating a better balance between work and family life; reducing differential outcomes in education and training; reducing structural inequality in income; promoting awareness of equality law in the provision of goods, facilities and services; enforcing, reviewing and clarifying the law; mainstreaming equality; and providing effective and efficient service.

3.2. Vocational Education and Training (VET) Services

The following section provides details about the services provided by the Government in the area of vocational education and training (VET). VET policy is the responsibility of the DfEE. The Government itself does not provide vocational training and, unlike the French State for example, does not impose a training levy on employers. VET is therefore essentially the responsibility of individual employers and workers. The approach of successive governments has been one based on exhortation rather than direct intervention. The DfEE claims that the Government's role is to:

Provide guidance and to fund an institutional framework at national, sectoral and local level in which training decisions can be taken. It also funds work-related training, especially for young people, unemployed people, and people with disabilities or special needs (DfEE 1998: 32).

Until recently, employers have not been obliged to involve trade unions in decisions relating to VET. However, the *Employment Relations Act 1999* stipulates that employers should consult recognized trade unions about their training and development plans.

3.2.1. Institutions

Between 1965 and the late 1980s statutory Industrial Training Boards (ITBs) existed, designed to promote VET within the industries for which they had responsibility and to operate VET facilities. Trade unions and employers were represented on the ITBs. By the beginning of the 1990s, the Conservative Government had disbanded virtually all of the ITBs¹⁴ and the Manpower Service Commission, a body constituted on a tripartite basis which operated between 1973 and 1988 (see Section 4). In their place, the Government established local level Training and Enterprise Councils (TECs) in England and Wales and equivalent Local Enterprise Companies in Scotland. The TECs and LECs are "quasi-autonomous" institutions which have an "arms length" relationship with central government. They are responsible for identifying local training needs, directing resources, administering training programmes for young workers and the unemployed and for organizing the delivery of training within the local economy. They do not have the power to force employers to provide training. Some TECs/LECs provide training directly, but it is more usual for them to contract with local training providers. There are currently 79 TECs in England and Wales and 22 LECs in Scotland. In Northern Ireland there is a separate organization, the Training and Employment Agency, which provides support for indigenous local companies and inward investors.

The TECs and LECs are responsible for providing the Work-Based Learning for Adults programme (formerly Work-Based Training for Adults). The programme, which is open to people aged over 25, is designed to help those who have been unemployed for six months or more to enter employment.

¹⁴ ITBs were retained for construction and engineering construction.

TECs have access to a Discretionary Fund, started in 1996-7 and worth £20 million per annum. The Fund is intended to assist the TECs in achieving the objectives set out in their Business Plans. Priority is given to those TECs that have managed to attract high levels of private financing.

The TECs also channel resources made available through the Local Competitiveness Budget, established in 1997-98 jointly by the DfEE and DTI to support businesses. The TECs use the LCB to promote investment in VET. In particular, they:

- work with companies with 50 or more employees to achieve Investors in People recognition;
- work to improve skills in small companies, including the achievement of Investors in People;
- work to improve management and other higher level skills;
- attempt to persuade employers and individuals that training is beneficial by promoting a National Training Awards competition (this is an annual competition which is open to all firms and individuals in the UK and which seeks to reward good practice in training).

3.2.2. Qualifications

A system of National Vocational Qualifications (NVQs) is overseen by the Qualifications and Curriculum Authority¹⁵ (QCA). The QCA does not award qualifications, but rather approves and accredits qualifications and the bodies responsible for awarding them. In Scotland, the Scottish Qualifications Authority (SQA)¹⁶ performs a similar role to QCA, although SQA also has the power to award qualifications (termed Scottish Vocational Qualifications (SVQs)).

Until recently, Lead Bodies composed of representatives of employers, unions and professional groups determined standards for NVQs. Lead Bodies were supported by the DfEE. They were frequently formed by employer-led Industry Training Organizations (ITOs) acting as a focal point for training in the sectors they covered. Their function was to monitor skills needs, determine skill standards and encourage investment in VET by firms. ITOs were non-statutory organizations and independent from government. They depended for their income on voluntary subscriptions and payments for services delivered to employers.

In 1997 the Government introduced a new network of National Training Organizations (NTOs) for specific sectors and industries in addition to a Training Standards Council to ensure training quality. In addition to the NTOs, the Government established a new coordinating body for England and Wales, the National Training Organization National Council (NTONC) and a similar body for Scotland (the Scottish

¹⁵ The QCA was established in 1997. It merged the functions of the Schools Curriculum and Assessment Authority with those of the National Council for Vocational Qualifications (NCVQ). NCVQ had up until that point been responsible for overseeing the NVQ system.

¹⁶ The formation of the SQA in 1997 merged the functions of the Scottish Vocational Education Council (SCOTVEC), which had originally been invested with responsibility for SVQs, and the Scottish Curriculum Authority into a single body.

Council of NTOs). NTONC is a direct successor to the National Council for Industry Training Organizations.

The NTOs have taken on the responsibilities formerly held by Industry Training Organizations, Lead Bodies and Occupational Standards Councils. The NTOs are expected to encourage employers to invest in training, assess the vocational education and training (VET) requirements of their sectors and develop strategies to ensure that training is delivered. In addition, they are responsible for advancing a national strategic approach to VET in their industries. The specific aims of the NTOs are to:

- raise strategic capability by analysing the core elements of competitiveness, identifying areas of skills shortages, and developing the means of identifying future skills requirements;
- enhance competitiveness through benchmarking, sector targets and Investors in People awards;
- provide advice on VET to employers and government;
- ensure that NVQs and SVQs meet national standards and address the needs of industry;
- develop partnerships through the NTO and SCONTO.

Sixty-five NTOs had been recognized by the end of 1998 (DfEE 1999).

The DfEE works with TECs, NTOs and Awarding Bodies to ensure the delivery and improvement of work-based training programmes. In the case of young workers, the main programmes are:

- **Modern Apprenticeships.** These are intended to develop technician, supervisory and craft level skills among 16-24 year olds. NTOs and TECs have, in conjunction with employers, developed apprenticeship training frameworks which lead to the award of NVQs at level three and above. Modern Apprenticeships are available across 81 sectors of the economy (DfEE 1999).
- **National Traineeships.** National Traineeships were introduced in September 1997 and lead to an NVQ at level two. Frameworks have been agreed in 46 sectors (DfEE 1999). The National Traineeship programme replaced the former Youth Training (YT) scheme. In the case of Scotland, YT was replaced in 1995-6 by a programme called Skillseekers, which targets those aged 16-17 and is delivered through the network of Local Enterprise Companies. Skillseekers follow a training plan which results in the award of an SVQ at level 2 or 3.

The DfEE is consulting on proposals for a “pre-vocational gateway for ‘hard-to-help’ young people” in order to improve the employment prospects of disadvantaged 16 and 17 year olds (DfEE 1999).

There is also a National Advisory Council for Education and Training Targets (NACETT). This body monitors progress towards the achievement of specific National Targets for Education and Training (NTET). These targets were launched by the Confederation of British Industry (CBI) in 1991 with the support of the Government. The National Advisory Council also provides advice to the Government. It is composed of members drawn from the fields of business and education. A separate body, the Scottish Council for Education and Training Targets, monitors progress in Scotland.

The Government has encouraged firms to seek recognition as Investors in People (IiP). IiP is the responsibility of Investors in People UK which is a non-departmental public body established in 1993 to:

- establish and promote the IiP Standard;
- maintain and update the Standard as necessary;
- ensure the quality of local arrangements for assessment;
- assess TECs and other organizations wishing to be assessed nationally.

Funding for Investors in People UK is provided through grant-in-aid from the DfEE. Investors in People UK also generates an income from services provided to users.

The Government makes available Career Development Loans to assist individuals in investing in their VET. A national system of Individual Learning Accounts, which individuals will be able to use to save and pay for training, is also being introduced. In addition, a University for Industry has been established. It will inform firms and individual workers about training opportunities and help facilitate the provision of training.

In an effort to establish a “National Skills Agenda” a National Skills Task Force was established in spring 1998. The final report and recommendations of the Task Force are due in April 2000 (DfEE 1999). RDAs have been provided with a Skills Development Fund of £39 million over the next three years for regional skill strategies that support the National Skills Agenda.

3.2.3. VET Information

Information concerning VET matters is made available by the DfEE’s “Skills and Enterprise network”, which:

summarizes both internal and external research and development reports for its members. The 25,000 strong membership receives quarterly mailings of quantitative and qualitative information relevant to training and education planners and decision makers (DfEE 1998: 136).

3.3. Industrial relations services

While overall responsibility for industrial relations lies with the Employment Relations Directorate of the DTI, services to the parties to the employment contract are provided by a range of independent bodies. The following section describes the most important bodies and outlines the services that they provide.

(i) Employment Tribunals (ETs)

- ETs were established in 1964 and until 1998 were known as Industrial Tribunals. They are independent judicial bodies that have responsibility for considering and resolving disputes between employers and individual workers. They are composed of a chairperson and two assessors. The assessors are appointed on the basis of separate panels nominated by the CBI and TUC. By October 1998, 800 lay members had been recruited to serve on ETs.
- ETs deal with more than 50 different types of complaint ranging from discrimination to unfair dismissal. There are 20 regional ET offices.

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- Complaints relating to unfair dismissal comprise half of the total caseload of the tribunals (Lewis 1992).
 - Appeals arising as a consequence of decisions taken by Employment Tribunals or by the Certification Officer (CO) (see below) can be brought before the Employment Appeal Tribunal (EAT). The EAT is a “Superior Court of Record”.
 - Both the Employment Tribunals and the Employment Appeal Tribunal are the responsibility of the Employment Tribunals Service (ETS). The DTI has overall responsibility for the ETS, which was established as an Executive Agency on 1 April 1997. The ETS provides administrative support to ETs and the EAT.

(ii) Advisory, Conciliation and Arbitration Service (ACAS)

- Until 1974 arbitration and conciliation services were provided by the Department of Employment. From this point on such services became the responsibility of a formally independent body, the Advisory, Conciliation and Arbitration Service (ACAS). ACAS was placed on a statutory footing under the Employment Protection Act 1975 and its concerns cover a range of areas relating to individual and collective employment rights.
- The Chairman of ACAS is appointed by the Secretary of State for Trade and Industry. Of the nine members, the TUC and the CBI each appoint a third with the remainder being made up of independent academics.
- The Executive Board of ACAS has direct responsibility for determining pay and personnel issues. The Board ensures that these policies and practices conform to the requirements set out in the Civil Service Management Code. It ensures that the delegated authority granted by the DTI is exercised in accordance with employment law, and that trade unions are consulted where appropriate.
- ACAS defines its mission as being: “to improve the performance and effectiveness of organizations by providing an independent and impartial service to prevent and resolve disputes and to build harmonious relationships at work” (ACAS 1998). ACAS’s role is summarized by the organization under the following four headings:

(i) Preventing and resolving employment disputes

ACAS provides advice designed to prevent confrontation between employers and employees and their representatives. In the event of a dispute, the organization offers a voluntary conciliation service. Conciliators provided by ACAS do not have the power to impose or recommend settlements. Should conciliation prove ineffective, the two sides involved in the dispute may request arbitration from ACAS. In such cases, an independent arbitrator or board of arbitration reviews the case and makes an award. Occasionally, the two sides involved in a dispute make a request for an independent third party to mediate and make recommendations for a settlement. In such cases, ACAS can assist by appointing a mediator.

(ii) Promoting the settlement of individual rights disputes

ACAS has a statutory duty to encourage an agreed settlement of those complaints which individuals could bring to an industrial tribunal under employment protection legislation. Such complaints include those relating to unfair dismissal, equal pay, breach of contract and sex and race discrimination (see below). Should the parties involved agree to conciliation, ACAS will appoint a conciliation officer whose role is to explain the tribunals

procedure and the law relating to the case and to review with the parties the options that they face. According to ACAS's Annual Report for 1997, 40 per cent of all claims made to industrial tribunals related to unfair dismissal.

(iii) Providing information and advice

ACAS has a national network of enquiry points which provide free advice on employment matters to individuals and organizations.

(iv) Promoting good practice

The organization runs conferences on employment and industrial relations issues and also runs workshops for small firms. A charge is made for these services. ACAS also provides a publication service, selling booklets on a wide range of topics related to employment and industrial relations.

Recent changes in the role of ACAS

In the *Trade Unions Reform and Employment Rights Act 1993* the duty of ACAS to "promote the improvement of industrial relations" was related in particular to the resolution of disputes while the subsidiary duty of the organization to promote collective bargaining was ended. In addition, ACAS was given permission to charge for certain services, such as publications and conference and seminar attendance. The *Employment Relations Act 1999* amends the general duty of ACAS by repealing the requirement for the organization to prioritise its work on dispute resolution.

ACAS's role has been recently extended under the *Employment Rights (Disputes Resolution) Act 1998* to encompass redundancy payment cases. ACAS's jurisdiction has also been extended to cover tribunals addressing matters associated with the newly introduced national minimum wage and the *Working Time Regulations*. This Act also introduced provisions for a voluntary ACAS arbitration scheme as an alternative to Employment Tribunal hearings for unfair dismissal claims (see below).

Being an executive non-departmental body, the organization is subject to a Cabinet Office requirement that comprehensive reviews take place every five years. In its recent five-year review, the Government explored ways by which ACAS can encourage the spread of "best practice" in the area of social partnership at the workplace.

(iii) The Central Arbitration Committee (CAC)

The CAC was established under the *Employment Protection Act 1975* and launched in 1976. It is now formally a part of ACAS, through which references to the CAC are channelled. It currently comprises a Chairman, four Deputy Chairmen, seven members with experience as representatives of employers, and an equal number of members with experience as representatives of workers. The chairman, deputy chairman and members of the CAC are appointed by the President of the Board of Trade from candidates nominated by ACAS. The *Employment Relations Act 1999* requires the Secretary of State to consult with ACAS before making appointments to the CAC.

When it was first established, the CAC had responsibility for voluntary arbitration, the Fair Wages Resolution, Schedule 11 of the Employment Protection Act 1975, information disclosure, the Equal Pay Act and unilateral arbitration as allowed for under the statutory trade union recognition procedures enshrined in the *Employment Protection Act 1975*. Actions taken by Conservative Governments after 1979 made many of these functions redundant.

The activities of the CAC are detailed in an Annual Report. The CAC deals with references for voluntary arbitration and complaints concerning information disclosure, for example for collective bargaining purposes. The CAC arbitrates in disputes that are referred to it jointly by trade unions and employers, and also unilaterally under the *Trade Union and Labour Relations (Consolidation) Act 1992*. The recent *Employment Relations Act 1999* has led to an expansion of the CAC's role. The CAC has overall responsibility for overseeing and enforcing the new trade union recognition procedures introduced by the Act. In the event of an employer rejecting a trade union's request for recognition, or failing to respond within 14 days, the union may apply directly to the CAC. The CAC will determine whether the trade union enjoys sufficient support as to make it likely that a majority would welcome recognition. The CAC also determines whether the bargaining unit the union proposes is appropriate. If the bargaining unit is not thought appropriate, the CAC has the power to propose an alternative.

(iv) The Certification Officer (CO)

The Certification Officer is responsible for maintaining lists of trade unions and employers' associations. Listing is voluntary and entry onto the list is dependent on whether or not the organization in question falls within the appropriate definitions specified under the *Trade Unions and Labour Relations (Consolidation) Act 1992*. The financial and support services for the CO are provided by ACAS. The CO is subject to an audit of its procedures by the DTI Internal Audit.

The CO:

- may issue a trade union with a certificate of independence;
- receives annual returns from trade unions and employers' associations and makes these available to the public;
- has the power to investigate the financial affairs of virtually every trade union and employers' association.

The CO issues an Annual Report providing information on the areas of its involvement and on recent developments in these areas, including:

- trade union membership information and expenditure, including the salaries and benefits of trade union executives;
- employers' association income and expenditure;
- superannuation schemes;
- mergers between trade unions and between unincorporated employers' associations;
- political funds established by trade unions and unincorporated employers' associations;
- secret postal ballots for trade union elections.

Following the introduction of the *Employment Relations Act 1999*, the CO is also due to take over some of the functions of the Commissioner for the Rights of Trade Union Members (CRTUM). The CRTUM was established under the Employment Act 1988 to provide assistance to union members seeking to bring cases against their union. The CRTUM also acted as the Commissioner for Protection against Unlawful Industrial Action (CPUA), a role designed to assist individuals prevent a trade union from taking unlawful

industrial action. Both posts have now been abolished and their responsibilities transferred to the CO.

3.4. Legislation

This section outlines the key areas where successive governments have identified a need for legislation to aid in the regulation of the employment relationship. A brief description of each of the major legislative interventions is provided.

The UK labour market is notable in Europe for the relative weakness of the regulations governing employment and industrial relations issues. Regulation and protection was gradually extended in the post-war period up until 1979. After 1979, successive Conservative Governments acted to weaken or remove existing regulations in the pursuit of labour market “flexibility”. Measures developed at European level have, however, been important in stimulating the implementation of new regulations by UK governments. This has taken on an added impetus following the decision of the current Labour Government to sign up to the “Social Chapter”. Labour has also begun to erect a new framework of policies which it hopes will promote partnership at the workplace. The three central elements of the framework are: provisions to ensure “basic fair treatment of employees”, “new procedures for collective representation at work”, “policies that enhance family life while making it easier for people – both men and women – to go to work with less conflict between their responsibilities at home and at work” (DTI 1999).

Fair treatment at work

- Since 1971 employees in the UK have had the right to claim unfair dismissal.
- The period of employment before which employees can claim unfair dismissal was extended from six months to one year in 1979 and again to two years in 1985. The recent *Employment Relations Act 1999* has reduced the qualifying period back to one year. The new limit applies to dismissals on or after 1 June 1999.
- Protection against unfair dismissal on the grounds of being a member of a trade union was provided in 1988 and 1990 (see (d) below). *The Employment Relations Act 1999* includes provisions designed to prevent discrimination by employers on the basis of trade union membership or non-membership. The Act also provides the Secretary of State with powers to introduce new regulations to prevent the compilation and use of lists recording workers’ union activities for purposes of recruitment.
- Claims for unfair dismissal can be brought before an independent Employment Tribunal. If an employee is found to have been unfairly dismissed, the Employment Tribunal can direct the employer to provide financial compensation or reinstate the individual. In practice, the latter course of action is a relatively rare occurrence. However, if an employer is instructed to re-employ a worker who has been found to have been unfairly dismissed, yet refuses to comply, additional awards may be granted against that employer.
- Appeals against the decision of an Employment Tribunal can be brought before the separate Employment Appeal Tribunal.
- Protection for “whistle blowers” was introduced in April 1999 as a result of the *Public Interest Disclosure Act 1998*. “Whistle blowers” are workers who take steps to expose criminal acts, negligence (in respect of health and safety for example) or failures by their employer to comply with legal obligations.

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- The *Employment Rights (Disputes Resolution) Act 1998* provided for the introduction of a new voluntary arbitration scheme, developed by ACAS, designed as an alternative means of settling unfair dismissal cases. Phasing in of this scheme began in spring 1999.
 - The *Protection from Harassment Act 1997* has made it a criminal offence to pursue a course of conduct which amounts to harassment of an individual.
 - It is unlawful for employers to dismiss, or threaten to dismiss, employees on the grounds of being trade union members. In addition, it is unlawful to take other action to prevent or deter workers from joining a union.
 - The *Employment Relations Act 1999* has increased the limit on compensatory awards for unfair dismissal from £12,000 to £50,000. The Act also consolidates compensatory additional and special awards into a single award. The limit on ET awards is now linked to changes in the Retail Price Index. In certain “whistle blowing” cases, for example where a worker has been dismissed for highlighting health and safety problems or wrongdoing, the limit has been removed.
 - The *Employment Relations Act 1999* has also ended the practice of including clauses waiving the right to claim unfair dismissal in fixed-term employment contracts. Employees sacked for taking part in lawful industrial action now have the right to make a claim for unfair dismissal. It is automatically unfair to dismiss strikers during the first eight weeks of industrial action. Dismissal will also be judged to be unfair after the first eight weeks if the employer has not taken “reasonable procedural steps to resolve the dispute”.
 - The *Employment Relations Act 1999* provides workers with the right to be accompanied during disciplinary or grievance hearings. The worker may be accompanied by a fellow employee or by a trade union official. Protection against victimization (both for seeking to be accompanied and for seeking to accompany a fellow worker) will apply from day one of employment.
 - The *Employment Relations Act 1999* has also introduced provisions to prevent discrimination against part-time workers. Part-time employees should not be offered terms and conditions of employment that are less favourable than those offered to their full-time colleagues. The new rights will bring UK legislation into line with the European Directive on Part-Time Working. The Government is to consult on draft regulations.

Wages and other terms and conditions of employment

- Employers are obliged to provide employees (with certain exemptions as specified below) with a written statement of their main terms and conditions of employment. The statement must include: the names of the employee and employer; the date on which the period of employment commenced; wages or salary details; hours of work and holiday entitlement; entitlements to sick pay, sick leave and pensions; entitlement of the employer and employee to notice of termination of employment; job title or job description; the period for which employment is anticipated to continue in the case of non-permanent employment; place of work; and the existence of relevant collective agreements. Employees must also be made aware in writing of disciplinary rules, grievance procedures and whether or not a pensions contracting-out certificate applies.
- Minimum standards in a number of traditionally low-paying industries were until recently set by Wages Councils. These were tripartite bodies comprising

representatives from employers and trade unions in addition to independent members. The Wages Councils had their origins in trade boards, first established by Parliament in 1909 and designed to deal with the problem of low wages in the so-called “sweated trades”. The *Trade Board Act 1918* facilitated the creation of further trade boards in industries characterized by an absence of adequate collective bargaining machinery. By 1983, there were 25 Wages Councils, in addition to two Agricultural Wages Boards, covering a total of three million workers. Young workers were removed from the ambit of the Wages Councils by the *Wages Act 1986*. The protection offered by the Wages Councils was removed altogether following their abolition under the *Trade Union Reform and Employment Rights Act 1993*. In total, 26 Councils, covering 2.5 million workers, were abolished. One Council, covering agricultural workers, was retained.

- Provisions to ensure minimum standards were also enshrined in the *Fair Wages Resolution 1946* and Schedule 11 of the *Employment Protection Act 1975*. These sought to ensure that employers paid the “going rate” for an industry or occupation. The former was repealed in 1983 and the latter by the *Employment Act 1980*.
- A National Minimum Wage came into force on 1 April 1999 following deliberations by the Low Pay Commission (see Section 4). The new legislation guarantees most employees aged 22 and over an hourly wage of at least £3.60, although the legislation does not cover young workers (see Section 3.4.1). Workers aged between 18 and 21 are entitled to a lower hourly rate of £3.00. New recruits aged 22 and over are entitled to a Development Rate of £3.20 per hour for the first six months of their employment, but only if they are receiving accredited training. This includes training towards a vocational qualification (e.g. NVQ, GNVQ) and in-house company training that covers 50 per cent or more of the elements of an NVQ. The National Minimum Wage applies to home workers, agency workers and those working on temporary contracts. The legislation is enforced by the recently merged Inland Revenue/Contributions Agency. Workers also have the right to go to an Employment Tribunal if they believe their employer has failed to abide by the regulations. It is anticipated that the National Minimum Wage will benefit nearly two million workers.
- The *Equal Pay Act 1970* is intended to ensure that the principle of paying men and women equally for work of equal value is maintained. In addition to remuneration, the Act covers other terms and conditions of employment.
- Most employees have the right to receive an itemized pay statement detailing gross earnings, fixed and variable deductions and net pay.
- Under the law, employers must allow employees reasonable time off work in the following circumstances: carrying out public duties (for example, acting as a Justice of the Peace or a member of a local authority); carrying out industrial relations duties or undergoing training in the capacity of an official of a trade union; taking part in trade union activities; job search or training when an employee is to be made redundant; attending antenatal care appointments during pregnancy; carrying out duties or receiving training in the capacity of a safety representative; and carrying out duties or undergoing training in the capacity of a trustee of an occupational pension.
- Where employees are “laid off” (i.e. their employer does not provide work for an employee on a day when s/he would normally be expected to do so), most are entitled to a “statutory guarantee payment” from their employer for any complete day of lay-off. This is limited to five days’ worth of payments in any three-month period. The amount paid per day is calculated on the basis of the employee’s normal daily pay up to a statutory maximum. The *Employment Relations Act 1999* links the upper limit of guarantee payments to movements in the Retail Price Index.

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- Where employees are to be made redundant, they are generally entitled to receive redundancy payments, which are calculated on the basis of their age, length of continuous employment and weekly pay. Employees are also entitled to be consulted through a representative (either their trade union or specially appointed “employee representatives”) between 30 and 90 days in advance of the first wave of redundancies, depending on the number of employees being dismissed. The *Employment Relations Act 1999* has established a link between the upper limit of redundancy payments and the Retail Price Index. Employers proposing to dismiss at least 20 employees from a single establishment are obliged to provide written notification to the DTI. New regulations, which will apply to any redundancies taking place on or after 1 November 1999, have improved consultation rights for trade unions. The regulations will require any employer that recognizes a union to consult with it when making 20 or more redundancies. Where no union is recognized, employers will have to consult with appointed employee representatives.
 - The *Transfer of Undertakings (Protection of Employment) Regulations 1981*, more commonly known as *TUPE*, “preserve employees, terms and conditions when the business undertaking, or part of one, in which they work is transferred to a new employer. The regulations also provide for the right of recognized trade unions or elected representatives of the employees to be informed and/or consulted about the transfer” (DTI 1988).
 - The Government has until 16 December 1999 to implement the *European Posting of Workers Directive*. The Directive requires that workers who are temporarily posted to another member State are provided with at least the minimum terms and conditions of employment enjoyed by employees in the country to which they have been posted.
 - The *Employment Relations Act 1999* has provided agency workers with new employment rights. Agencies are now prevented from changing a worker’s terms and conditions without consultation, charging clients to look for work, and poaching workers that have already been placed with a hiring company. Agency workers have also been given the right to be classed as an employee of the agency in cases where they are not classed as an employee of the hiring company (Labour Research 1999a: 18).

Category-related protection (women, young people, the disabled)

- *Race Relations Act 1976*. This Act outlaws discrimination in employment on the grounds of race. Responsibility for keeping the Race Relations Act under review rests with the Commission for Racial Equality (CRE), an independent body set up under the Act. As in all discrimination cases, those who consider themselves to have been treated unfairly can take their complaint to an Employment Tribunal. Complaints must be made within three months of the alleged breach of the Act.
- The *Disability Discrimination Act 1995* contains measures intended to end discrimination against the disabled. It provides the disabled with additional rights in employment and areas of access to goods, facilities, services and property. It also requires educational institutions to provide information for disabled people.
- The *Sex Discrimination Act 1975* contains measures designed to eliminate sexual discrimination in employment. The Act was amended by the *Sex Discrimination Act 1986 and the Employment Act 1989*.
- In November 1998 the EOC published a set of recommendations designed to bring about a reform of legislation aimed at preventing sex discrimination. The EOC

proposed that the *Sex Discrimination Act 1975* and the *Equal Pay Act 1970* be replaced by a new “Sex Equality Act” which would guarantee freedom from discrimination on the grounds of sex, pregnancy, marital status, family status and gender reassignment. The EOC’s proposals are currently being considered by the Government.

- Lesbian and gay workers currently enjoy no specific protection from harassment or dismissal on grounds of their sexuality.
- While legislation does not currently exist to protect older people from discrimination at work, the Government is officially opposed to such practices. A new code of practice, entitled “Age Diversity in Employment”, has been introduced although this does not have statutory backing.
- The *European Directive on Young Workers*, which regulates the hours of work of those aged under 18 years has been incorporated into national law as a result of the introduction of the *Working Time Regulations* in 1998.
- The *Employment Relations Act 1999* has extended female workers’ maternity leave entitlement from 14 to 18 weeks and reduced the qualification period from two years to one. The period of leave can be extended to 29 weeks on statutory pay following the birth. The incorporation of the *European Parental Leave Directive* into national law has also extended the right to take leave to male employees. From December 1999, fathers will enjoy the right to parental leave for the first time. Parents (including adoptive parents) will be entitled to take up to 13 weeks of unpaid leave during the first five years of their child’s life. Employees are guaranteed their job back (or equivalent work) at the end of the leave period. Parents and carers will also be entitled to take time off to deal with “family emergencies”. Employees who exercise their new rights are protected against dismissal or detriment.
- The *Teaching and Higher Education Act 1998* provides 16 and 17 year old workers who have not achieved a specific standard of education the right to time off during working hours to undertake training leading to approved qualifications (DfEE 1999).

Working conditions (health and safety and working time)

- Health and safety legislation stretches back as far as 1802 when the first in a series of Factory Acts was passed. The Factory Acts set minimum standards on “such things as ventilation and sanitation; on the guarding and proper maintenance of machinery and equipment; on the provision of drinking water; on the use of poisonous and dangerous substances; and on the notification of accidents and industrial diseases” (Gospel and Palmer 1993: 207).
- Health and Safety matters are currently covered by the *Health and Safety at Work Act* which was passed in 1974. This Act established the Health and Safety Commission (HSC) and the Health and Safety Executive (HSE) and imposes statutory requirements on employers, employees and the self-employed to ensure the maintenance of safety standards at work. The Act obliges every employer to provide employees with a written statement of policy and to bring it to their attention. The Act was augmented by the *Safety Representatives and Safety Committees Regulations 1977* which made provision for a system of workplace safety representatives and joint safety committees (JSCs). As White (1992: 200) notes, “an employer is obliged to establish a JSC with employees where at least two safety representatives request him in writing to do so. A JSC must then be established within three months of the employer’s receipt of the request”. Safety representatives are appointed by trade unions, however, and can

therefore only exist in workplaces where a trade union is recognized. Provisions have been introduced for worker representatives in non-union workplaces, although these have less extensive powers than union-appointed safety representatives.

- The **1996 Employment Rights Act** enables workers to stop work in the event of unsafe conditions.
- Until very recently the UK was almost alone in Europe in refusing to set a legal limit on the normal working week or provide a statutory minimum period of annual leave. The provisions that existed were the result of agreements between employers and employees or their representatives. This situation has now changed with the passing into UK law of the **European Directive on Working Time**. The implementation of this Directive was resisted by the last Conservative administration, but was accepted by the present Labour Government. The new **Working Time Regulations 1998** were laid before Parliament on 30 July 1998 and came into force on 1 October 1998. The regulations limit average weekly working time to 48 hours over a 17 week period (although individuals can choose to work beyond 48 hours) and limit night workers' average working time to eight hours (employers must also offer night workers health assessments). Responsibility for enforcement is shared between the Health and Safety Executive (in the case of factories, building sites, mines, farms, fairgrounds, quarries, chemical plants, nuclear installations, schools and hospitals) and local authority Environmental Health Departments (in the case of retailing, offices, hotels and catering, sports, leisure and consumer services). Employees are also entitled to a rest period of 11 consecutive hours between each working day and an uninterrupted rest period of 24 hours in each seven-day period. Workers must be allowed an uninterrupted rest break of 20 minutes if daily working time is in excess of six hours. Rest periods and breaks can be enforced through workers complaining to an Employment Tribunal. The **Working Time Regulations** also provide employees with an entitlement to three weeks of paid annual leave, rising to four weeks after 23 November 1999.

Labour relations and collective representation

- Industrial relations in the UK has frequently been characterized as voluntarist, placing emphasis on voluntary agreements between employers and trade unions as opposed to legal regulation.
- A statutory trade union recognition procedure existed in the UK in the 1970s, but this was rescinded under the **Employment Act 1980**. Following the general election of May 1997, the new Labour Government set about honouring a manifesto pledge to re-introduce statutory recognition measures. The development of new provisions has involved discussions between the CBI and the TUC in conjunction with the Government. The provisions are enshrined in the **Employment Relations Act 1999**. The Act provides, in firms employing 21 or more workers, the right to trade union recognition where a majority of the relevant workforce wants it. Employers and trade unions will be encouraged to reach a voluntary agreement, but where this does not prove possible the Central Arbitration Committee (see above) will determine whether a union has reasonable support from employees for its application, the relevant bargaining unit, whether a majority of employees support recognition, and the procedure to be followed for negotiations. If a union has achieved recognition, but cannot establish a method for collective bargaining, the CAC may impose one.
- Unions wishing to conduct a recognition ballot will have to be able to demonstrate that they have an initial membership of at least 10 per cent of the bargaining unit. Recognition will be awarded only if a majority of the bargaining unit, and at least 40 per cent of those eligible to vote, support the union. Recognition may be granted

automatically if the union can show that over 50 per cent of the bargaining unit are members.

- Fresh applications for recognition or derecognition will not be considered by the CAC until three years have elapsed.
- Employees are protected against detriment or dismissal for supporting (or failing to support) either trade union recognition or de-recognition.
- Over the past 20 years, closed shop arrangements have gradually been made unlawful. Under provisions introduced through the *Employment Acts* of 1980 and 1982, the continuation of closed shops was made dependent on a demonstration of worker support through a ballot. The *Employment Act 1988* made industrial action designed to enforce a closed shop unlawful and the *Employment Act 1990* made it unlawful to refuse to employ an individual on the grounds of their not being a member of a trade union.
- No statutory provision exists for alternative or complimentary forms of representation such as Works Councils. However, the *European Works Council Directive* was extended to the UK in December 1997 and the Government has until December 1999 to introduce it into UK law.
- The Government does not interfere with the substance of collective agreements or with the process of negotiation. Collective agreements are not legally binding on the parties involved. Furthermore, unlike other European economies, collective agreements are not extended to cover other workers. Provisions to prevent employers from paying less than the “going rate” previously existed in the form of Schedule 11 of the *Employment Protection Act 1975* and the *Fair Wages Resolution 1946*. Conservative Governments in the 1980s rescinded both of these.
- The *Trade Union Reform and Employment Rights Act 1993* placed an obligation upon trade unions to seek members’ authorization for the continuation of “check-off” (the procedure whereby union membership subscriptions are deducted directly from pay) every three years. These provisions were repealed by the *Deregulation (Deductions from Pay of Union Subscriptions) Order 1998*.
- Only those trade unions which have been recognized as “independent” from an employer by the CO may enjoy the statutory entitlement to business information for collective bargaining purposes enshrined in the *Employment Protection Act 1975*. Only those trade unions that hold a certificate of independence issued by the CO will be eligible to make an application for recognition under the new procedures introduced by the *Employment Relations Act 1999*.
- Trade Unions in the UK have never enjoyed a positive right to strike but instead have been granted immunities from prosecution and claims for damages. After 1979, Conservative Governments acted to erode these immunities and diminished the scope for trade unions to engage in lawful industrial action. For example, the *Employment Act 1980* outlawed most forms of secondary action; the *Trade Unions Act 1984* required secret ballots to take place in advance of a strike; the *Trade Unions Reform and Employment Rights Act 1993* specified that such ballots should be postal in nature and required trade unions to provide employers with notification before and after ballots. The *Employment Relations Act 1999* has removed the requirement for trade unions to provide employers with the names of the members it is balloting or calling on to take industrial action.

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- Some of the provisions of the *Working Time Regulations* can be adapted via agreements between workers and their employer. In cases where there is an absence of collective bargaining, the regulations allow for workplace representatives to be elected.
 - The *Employment Relations Act 1999* stipulates that employers must consult trade unions about training plans.
 - The *Employment Relations Act 1999* also empowers the Secretary of State to provide funding designed to promote partnership at the workplace. The so-called “Partnership Fund” will be used to support training for managers and employee representatives, in addition to other measures designed to foster a partnership approach.

3.4.1. Workers not covered by labour legislation

Exemptions from protection under the law apply in the following circumstances:

- The following categories of worker are ineligible to complain to an Employment Tribunal on the ground of unfair dismissal: self-employed workers and independent contractors; certain other groups, including some of those who work at sea and some public servants.
- Employers are not obliged to grant “reasonable time off work” to the above categories of employees.
- Nor are employers obliged to provide itemized pay statements or a written statement of terms and conditions of employment to these categories of worker. In addition, employers are not obliged to provide a written statement to individuals taken on for less than one month and to certain types of trainee.
- The self-employed, contractors, and those with less than two years continuous employment do not qualify for redundancy payments. In addition, employees dismissed after their 65th birthday, or after they have reached normal retirement age, and some individuals on fixed-term contracts are not eligible. In the latter case, employees may be asked by their employer to waive their rights to statutory redundancy payments.
- Employees who have not experienced at least one year of continuous employment cannot bring an unfair dismissal case before an Employment Tribunal.
- The *Sex Discrimination Act 1975* does not apply where being a woman or a man is a “genuine occupational qualification” for a job. Examples would include where a man or woman is required for reasons of authenticity or for a specific purpose (e.g. modelling or acting work) or for reasons associated with privacy or decency. Other exceptions involve what is known as “positive action”. An employer may, for example, organize a single sex training course to assist men and women to gain employment in jobs in which they are currently under-represented.
- The exemptions applying under the *Sex Discrimination Act* also apply to the *Race Relations Act 1976*. In addition “acts done under statutory authority or to safeguard national security are also permitted under the terms of the Act” (DTI 1998).
- The *Disability Discrimination Act 1995* does not apply to prison officers, fire-fighters, members of the police force, members of the armed forces, those working outside of Great Britain, and people who work on board ships, hovercraft and aircraft.

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- Employees are not entitled to statutory guarantee payments in the event of their being laid-off: if the employee has worked for less than a month; in some circumstances where the worker is employed on a fixed-term contract of three months or less; “if the employee has no normal working hours”; “if the employee has unreasonably refused an offer of suitable alternative work”; “if the employee fails to comply with the employer’s reasonable requirements to be available for work”; “where the employee is not provided with work because of industrial action”; “if there is a statutory exemption order in force” (DTI 1998).
 - Workers aged 16 and 17 are exempt from the National Minimum Wage. The National Minimum Wage does not have to be paid to apprentices aged 18. Apprentices who are 19 or older, but who have not reached the age of 26, do not need to be paid the National Minimum Wage for the first 12 months of their apprenticeship.
 - The *Working Time Regulations* do not cover the self-employed. Workers in the following sectors are also excluded: air transport, rail, road transport, sea transport, inland waterway and lake transport, sea fishing, “other work at sea” (such as offshore work in the oil and gas industry). Doctors in training are also excluded as are the police and the armed forces. Workers who have not been employed for 13 weeks do not enjoy annual leave entitlement.
 - The *Employment Relations Act 1999* contains provisions for extending the coverage of employment rights to groups who currently do not benefit.

The exclusion of certain categories of workers from labour legislation is also a reflection of the fact that certain categories of employer are *exempted* from observing the relevant legislation. For example:

- Currently employers with fewer than 20 employees are exempted from the equal employment opportunity provisions of the *Disability Discrimination Act 1995*. Firms with fewer than 21 employees are also excluded from the new trade union recognition procedures introduced by the *Employment Relations Act 1999*.
- Employers with more than 20 employees must provide written details about disciplinary rules and grievance procedures, but those with fewer than 20 employees need only provide a contact name in case employees wish to raise a grievance.

Section 4. Relations with Other Actors in the Labour Administration System, with Independent and Supervised Organizations and with Social Partners

4.1. User representation – participation by the Social Partners

The Social Partners in the UK context are most commonly thought of in terms of two national bodies, the Confederation of British Industry (CBI) and the Trades Union Congress (TUC). The TUC is an institution which trade unions can join “to formulate collective policy which can then be the voice of the trade union movement as a whole” (Green 1994: 31). Most (but not all) British trade unions are affiliated to the TUC. The TUC is responsible for formulating national policy within the trade union movement. The organization first came into being in 1868 and by 1871 “had delegates representing 289,000 members from 49 unions” (Green 1994: 31). The total membership of unions affiliated to the TUC is currently 6.75 million (Labour Research 1999b: 3).

The principal national body for employers is the CBI. Formed in 1965 “out of 12,600 firms, the nationalized industries and 25 employers’ associations” (Green 1994: 52), the CBI brought together in a single confederation three separate bodies: the Federation of British Industry (formed in 1916), the National Association of British Manufacturers (formed shortly after the Federation of British Industry), and the British Employers’ Confederation (formed in 1919).

The CBI represents employers’ associations and organizations across the manufacturing and service sectors. While the CBI does not attempt to formulate policies which are binding on its constituent members in the manner of the TUC, it nevertheless attempts to act as a unifying agency in seeking to influence government policy. Like the TUC, however, the CBI has occasionally displayed a lack of effectiveness in exerting control over its membership.

It is commonplace for industrial relations commentators to point to the voluntarist and decentralized character of the UK system of industrial relations and how this has militated against the development of coordinating bodies and forums through which participation in policy-making might take place. Economic pressures in the 1960s and 1970s, however, and persistent recourse to incomes policies as a means of controlling inflationary pressures, resulted in attempts by governments to encourage the CBI and TUC to participate in the coordination of economic activity (Crouch 1995). The most important coordinating bodies were the National Economic Development Committee (NEDC) and the Manpower Services Commission (MSC). Between 1961 and 1992 the NEDC provided a forum to enable trade unions, employers and the Government to meet to discuss issues relating to the economy. The MSC, on the other hand, had responsibility for education and training activities, including the operation of the Industrial Training Boards (see Section 3 above). The majority of bodies established in the 1960s and 1970s were advisory and had no executive function (Marsh 1992: 42-3, McIlroy 1995). Some, such as ACAS, the HSC/E and the MSC, were a result of attempts by Conservative and Labour Governments of the 1970s to introduce a degree of autonomy into functions that had previously been carried out by the Department of Employment and establish them under tripartite control (Crouch 1995).

After the election of the Thatcher administration in 1979, successive Conservative Governments acted to reduce the role of trade unions in policy-making. In the early 1980s,

the Government declared that it was ending the established practice of including trade union leaders on government inquiry panels and committees and took to consulting trade unions only on issues which were deemed to be of direct concern to them (Crouch 1995). Consequently, the number of meetings and personal contacts between the Government and the unions declined markedly (Mitchell 1987, Marsh 1992). As McIlroy observed:

There is little difference in terms of overall number of contacts between the Labour 1970s and the Conservative 1980s. However, contact is increasingly initiated by the TUC, not the Government, it occurs at a lower level, and it increasingly involves a move from harder face-to-face contact to weaker contact by writing. And, there is a significant decline in the effectiveness of TUC contacts with government. (McIlroy 1995: 201).

The Confederation of British Industry (CBI), which was on occasion critical of the Government, was also viewed with a certain amount of suspicion. The Government was more sympathetic to the right-wing Institute of Directors, which was openly supportive of the supply side measures introduced by the Conservative administrations, including policies directed at trade union reform. Over this period, the DTI was reorganized so to reduce “the closeness of the links between trade association and units within the department. Civil servants were encouraged to talk directly to companies and not to use trade associations or the CBI as intermediaries” (Budge and McKay 1993: 48). Some argued that the reluctance of the Thatcher and Major governments to consult with certain groups “inevitably led to implementation problems, because those groups/agencies affected by the policy, and who were not consulted, failed to cooperate, or comply, with the administration of policy” (Marsh and Rhodes 1992: 181, cited in Dowding 1995: 112).

Frequently, the exclusion of trade unions from positions of influence was achieved through closing down those tripartite forums which provided representation for trade unions. Most notably, the Conservatives dismantled the *National Economic Development Council (NEDC)* in 1992 and the *Manpower Services Commission (MSC)* in 1988. The current Labour Government appears to be more welcoming of participation by trade unions and has placed considerable emphasis on “social partnership”. Employers and trade unions have been represented on new advisory groups. One such group was established to review competitiveness and develop proposals on best practice, innovation, investment, the information age and workforce development. Its conclusions informed proposals contained in the Government’s Competitiveness White Paper, published in 1998.

The Government has made available funds designed to contribute to the training of managers and employee representatives with the intention of assisting the development of a partnership approach by employers and trade unions at the workplace. The TUC has also advocated a partnership approach to its dealings with employers, spelled out in its recent report, *Partners for Progress*.

4.2. Formal participation

The TUC and CBI provide members for a range of Non-Departmental Public Bodies and quangos. Although Conservative Governments after 1979 sought to reduce the involvement of trade unions, important areas of continuity remained. The membership composition of bodies such as ACAS and the Central Arbitration Committee continued to ensure a balance between employer and trade union interests.

Vocational Education and Training (VET)

Trade union involvement in vocational education and training was reduced through the closure of the Manpower Services Commission and the Industrial Training Boards in

the 1980s. The MSC had provided trade unions with equal representation with employers. Following its abolition in 1988, the MSC was replaced, initially by the Training Agency and subsequently by Training and Enterprise Councils (Local Enterprise Companies in Scotland). The dominant interests represented on these bodies were those of employers, particularly large employers. The board of directors of each TEC is made up of between eight to 16 individuals, two-thirds of whom must be local private sector business people. The remaining positions on the board are taken by representatives from local government, voluntary organizations and trade unions. Trade unions have members on most TEC boards and on the recently established Training Standards Councils.

The Government has established a Skills Taskforce with members drawn from private and public sector employers, trade unions and education and training providers. The remit of the Skills Taskforce has been set by the Secretary of State for Education and Employment and is as follows:

to assist the secretary of state in developing a national skills agenda which will ensure that Britain has the skills needed to sustain high levels of employment, compete in the global market and provide opportunities for all (Labour Research 1998: 18).

Industrial relations

Consultation and participation tends to take place on an informal basis. Informal networks link Departments and Directorates to various external bodies, for example, the Industrial Society, the Institute for Personnel Development and the Involvement and Participation Association.

Documents (e.g. White Papers) are distributed through consultation lists, which can be amended depending on the nature of the document. Documents are also placed on the Internet and are available from HMSO (the Stationery Office). Responses to the document are invited before a specified closing date.

Occasionally, more formal structures are established to address specific issues. An example is the statutory recognition procedure for trade unions recently introduced by the *Employment Relations Act 1999*. The Government asked the TUC and CBI to explore possibilities for reaching a joint agreement on this issue. Discussions faltered, however, over the question of how relevant bargaining units should be defined.

A further notable example is that of the Low Pay Commission, which was established in 1997 to:

- make recommendations on the initial level for the national minimum wage;
- consider the case for lower rates or exemptions for those aged 16-25 and make recommendations;
- take under consideration and make report on matters referred to it by Ministers.

The Commission is composed of nine unpaid members drawn from business, trade union and academic backgrounds.

Both the Low Pay Commission and the dialogue over statutory trade union recognition reflect the Labour Government's espoused commitment to encouraging appropriate forms of social dialogue and partnership. Yet while government consultation with trade unions has increased, the unions have on occasion voiced concerns. A recent example concerns the attempt by the Government to allow certain categories of employee

to work beyond the 48-hour weekly limit imposed by the Working Time Regulations without formally opting out. The TUC claimed that this would result in approximately nine million salaried employees losing the right to work no more than 48 hours a week. Furthermore, the TUC complained that the consultation period was too short and threatened to appeal to the European Commission on the grounds that the amendment contravened the Working Time Directive (*The Guardian*, 10/9/99). The unions have also challenged the Government's plan to restrict the newly established right to parental leave to those whose children are born after December 15 1999. Furthermore, the TUC has called for a more formal, ongoing approach to "social dialogue" along the lines of the European "social model" (*Observer* 12/9/99).

4.3. Informal participation

Departments have consultation lists, which vary according to the topic. The list "will reflect a judgement by the civil servant concerned with the policy issue within a given division, but he will generate it by consulting other officials in his department and possibly other departments too" (Dowding 1995: 115). Consultation also takes places via video and the Internet. Doubts have been expressed, however, about whether consultation leads to "genuine" participation, particularly since views from certain interest groups may be discounted or have relatively little weight attached to them (*ibid.*)

Interest groups may also have some influence over policy through "lobbying" Government Departments, including Ministers and Civil Servants. The hope is that the views of Ministers can be shaped prior to their presenting their proposals to parliament. The encouragement given to the Civil Service to talk directly to companies rather than using the CBI as an intermediary in the 1980s and early 1990s resulted in an explosion in lobbying by companies, which in many cases employed "professional lobbyists" (Budge and McKay 1993: 48).

4.4. Coordination of NSLA actors with the ministry or ministries concerned

As already noted, the rationale guiding the creation of executive agencies was the alleged desirability of establishing a formal autonomy in the area of operational matters. Nevertheless, relations between parent departments and executive agencies have been closer than initially envisaged and contacts between agencies and departments have been frequent. One survey of agencies reported that weekly contacts took place with departmental officials and in 25 per cent of cases weekly contacts with Ministers (Price Waterhouse 1991: 9, cited in Butcher 1995: 74). This may reflect the interest of Chief Executives on fixed-term contracts in establishing close relationships with Ministers (Greer 1992).

Operational independence is also meant to be a key feature of the Non-Departmental Public Bodies within the NSLA. The *Trade Union and Labour Relations (Consolidation) Act 1992* states explicitly that ACAS, for example, will not be subject to any kind of direction from any Minister in carrying out its functions.

The NDPBs do, however, liaise closely with relevant Departments. The "ER 6" subdivision of the Employment Relations Directorate, for example, has responsibility for liaising with ACAS and the CO.

4.5. Source of financial and human resources of the principal Non-Departmental Public Bodies

(i) ACAS

ACAS is able to charge for certain services, such as publications and attendance at conferences and seminars. Resources are provided by government in the form of grant-in-aid. Grant-in-aid for 1998-99 was approximately £26 million and government figures suggest that the organization will receive approximately £27.5 million for 1999-2000. In January 1999 ACAS employed 657 staff (Civil Service Statistics). Approximately 80 per cent of staff are employed in ACAS Scotland and Wales and the five English Regions. Along with other Non-Departmental Public Bodies, ACAS is required to publish summary information concerning its recruitment of staff and the use of permitted exceptions to the Civil Service principles of fair and open competition, selection on merit and the appointment of casual staff for a maximum 12 month period (ACAS 1998: 112).

(ii) HSC/HSE

The HSC receives grant-in-aid borne on a vote of the Department of Environment, Transport and the Regions. Net grant-in-aid for 1998-99 was £177.1 million (HSC 1998). HSC is composed of a chairman and nine members who are equivalent to independent non-executive directors. They are appointed on a fixed-term basis by the Secretary of State. The HSE is headed by a director and two other members. These individuals are appointed by the HSC. Recruitment into the HSC/E takes place in accordance with the Civil Service Commissioner's code. In April 1998, staff in post for the HSC/E comprised 1,521 Inspectors, 1,289 professional staff and 1,167 "other staff" (HSC 1998).

(iii) Certification Officer

Financial and support services for the CO are provided by ACAS. Statutory fees are charged for certain services provided by the CO including: application for entry in the list of trade unions; application for entry in the list of employers' associations; application for approval of a change of name; application for a certificate of independence; application for formal approval of an instrument of transfer of engagements or of an instrument of amalgamation; inspection of merger documents.

(iv) CRE

On 31 December 1998 the CRE employed approximately 179 employees (measured in terms of full-time equivalents) (CRE 1999a). It receives grant-in-aid from the Home Office and has been awarded £16,425,000 for 1999-2000. It also receives finance in the form of sponsorships and donations. The CRE is planning to be accredited as an Investor in People by March 2000 (CRE 1999b).

(v) EOC

On 31 December 1998 the EOC employed approximately 155 staff (including 27 workers employed on a part-time or job-sharing basis) and 12 Commissioners including the Chair (EOC 1999). The organization is hoping to achieve IIP recognition by March 2000. It receives grant-in-aid from the DfEE. It received £5.8 million in 1998-99 and will receive a further £6.1 million in 1999-2000 (DfEE 1999: 142). In recent years, both the EOC and the CRE have raised concerns related to underfunding and the inadequacy of their resources (Dickens 1994: 277).

Section 5. Evaluation

5.1. Introduction

As noted, the principles of departmental management introduced by the Conservatives in the 1980s and 1990s placed emphasis on the promotion of “economy, efficiency and effectiveness”. Barzelay (1997: 240), drawing from Gray et al. (1993) notes that:

Economy standardly means eliminating waste of inputs, efficiency refers to the optimality of processes for transforming inputs into outputs, and effectiveness means achieving leverage over outcomes through the delivery of outputs.

Efficiency reviews, designed to reduce operating costs and promote more effective management, were introduced in 1979. These were accompanied by “fundamental reviews” designed to force departments to consider whether activities should be continued or whether they should be delivered through new organizational structures.

The Financial Management Initiative (FMI), introduced in 1982, gave departments responsibility for budgets and activities. As Gray and Jenkins (1998a: 323) note:

The emphasis was on formalizing top management structures and information systems, installing procedures for measuring performance of activities, and developing management accounting systems that stress the delegated management of resources.

Increasing emphasis has been placed on the identification of objectives and targets in an effort to import elements of private sector practice into government. The rhetoric of delegation and greater accountability has accompanied these developments, although doubts have been raised about the extent to which effectiveness in public service provision and policy-making has been encouraged. Williams (1998: 260), for example, argues that:

... in practice it has often proved problematic to establish objectives and targets in relation to policy work which contain sufficient rigour and quantification to be useful, but sufficiently flexible to cope with the uncertainties and rapid changes characteristic of such work. The result is increasing emphasis on those elements of the work which better lend themselves to such approaches, creating potentially perverse incentives to focus on what is capable of being measured and managed at the expense of what may be more important but is less certain and less capable of being planned in advance.

The Conservative Government also introduced principles of “market testing” which called upon Departments and Agencies to select activities which could potentially be contracted out to external providers (Pyper 1995). The DfEE’s estates maintenance function represents one example of a service that has been contracted out.

From 1995-97, government departments produced “efficiency plans”, which were submitted to the central Efficiency Unit. The “efficiency plans” provided a statement of aims and objectives for the subsequent three-year period and indicated how these were to be achieved within the budgets set, including the areas where efficiency savings might be made. Following the election of the current Labour Government, the requirement to produce “efficiency plans” was dropped. The Government has instead focused on efficiency savings in the context of a Comprehensive Spending Review. Completed in 1998, the review has determined expenditure levels for the period up until the next general election.

Principles of resource accounting are currently being implemented which will alter the manner in which departmental performance is expressed. The introduction of resource accounting will simplify the process of identifying departmental assets, such as property and land, for potential sell-off (Theakston 1998). The practice until recent times has been for departments to submit accounts at the end of the year demonstrating how their budgetary allocation was spent. By the new millennium, however, departments will have to present end-of-year financial statements on an accruals basis, providing an account of revenue and expenditure which will include the value of its current assets and liabilities (Gray and Jenkins 1998a: 333). Resource accounting will also require departments to produce an analysis of their spending according to both financial and *non-financial* objectives. It represents the latest in a string of initiatives designed to improve “value for money” in service provision.

5.2. Internal Evaluation Methods

The Charter programme

Originally introduced by the last Conservative Government, the Citizens’ Charter attempts to establish normative standards for public services. The Charter, which applies to public services at both local and national levels, identifies performance principles in six areas: *standards* (including the setting and monitoring of standards and the publication of actual performance); *information and openness*; *choice and consultation* (particularly with end-users); *courtesy and helpfulness*; *putting things right* (including the rapid provision of a full explanation for why things went wrong); and *value for money* (emphasis on efficiency, economy and effectiveness combined with independent validation of performance) (Central Office of Information 1995: 46-7).

The Citizens’ Charter programme was established in conjunction with a Charter Mark Award Scheme, which was originally introduced in 1992 as an award for excellence in the area of public service delivery. Executive Agencies were expected to “build the Charter into their operations and methods” (Pyper 1995: 111).

Recently the Charter Unit has been attempting to establish local networks designed to share information and views about the quality of public services. The Citizens’ Charter programme is being relaunched by the Labour Government and this is likely to have an impact on the evaluation process.

In April 1997, six central government standards of customer service were introduced for all Government Departments. While these are intended to apply to services that departments provide directly to the public, they can also apply to specialist services, such as those delivered through the DfEE’s Overseas Labour Service. Services that are delivered indirectly (e.g. through Jobcentres and TECs) are covered by the standards of customer service adopted by those organizations. There is an expectation, however, that agencies incorporate the standards within their operating plans.

The six standards commit each department to:

- (i) answering letters clearly and within 15 working days of receipt;
- (ii) seeing individuals within 10 minutes of any pre-arranged time for appointments at departmental offices;
- (iii) providing information about services and a public enquiry point for telephone callers;
- (iv) consulting users regularly about services and reporting on findings;

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- (v) having a complaints procedure and providing information about the procedure to the public on request;
 - (vi) taking all reasonable steps to make services available to all (including those with special needs).

Departments provide an evaluation of their performance against these standards through a number of mediums, including the World Wide Web.

A number of commentators have pointed to the inherent difficulties involved in measuring quality in the delivery of public services (Pollitt 1990, Walsh 1991). Pyper (1995: 105-106) summarizes these as follows:

- (a) “public services are less tangible than the material products of commercial organizations, and this makes them difficult to test and measure;
- (b) services are “consumed” as they are “produced” and this makes it very difficult to establish procedures for filtering out sub-standard products;
- (c) in many cases the “producer” of the service ... is effectively part of the “product”, because a personal relationship with the “customer” is involved;
- (d) the “customer” is an inherent element of the “production” of services ... many public services can only be “produced” when the recipients play their part in the process;
- (e) the role of the customer in quality assurance systems is problematic: professional charges with the delivery of services are often reluctant to face up to the implications of “quality” judgements being made by those receiving the services” (Pyper 1995: 105-106).

Auditing and evaluation

Evaluation of DfEE programmes is overseen by an Evaluation Steering Group. In developing the evaluation programme, the Evaluation Steering Group takes into consideration the need to “assess the effectiveness of new and changing policies” (DfEE 1998: 136). Research projects, designed to evaluate the effectiveness of the policies implemented by the Government, are commissioned from independent external contractors.

The DfEE’s Internal Audit Division aims to provide an assurance to the Accounting Officer that adequate internal controls are in place. The Division also assists managers by auditing specific systems and functions. In 1997-98, the Internal Audit Unit conducted 121 audits. The DfEE evaluates the effectiveness of the audit by judging how plans are achieved, evaluating the delivery of individual audits, checking the extent to which recommendations have been accepted, and by reviewing client satisfaction surveys.

The DTI operates a series of surveys designed to monitor the resolution of employment rights disputes. One such survey of Employment Tribunal applications is used to assess the effectiveness of various forms of dispute resolution, including ACAS, and as a means of monitoring the satisfaction of end-users with the Employment Tribunal service.

Personnel issues

Departments draw up “personal action plans” for individual members of staff. These are reviewed on an annual basis. They are drawn up at the beginning of the year and can be

amended as the objectives of the directorate develop. The plans feed into the end of year Annual Reports. The system has become increasingly standardized across departments. Emphasis has increasingly been placed on tying individual pay and promotion prospects to the achievement of performance objectives. Maor and Stevens (1997) describe the relationship between individual performance and rewards in the following way:

... Performance is assessed annually on a scale which usually has 5 or 6 points ranging from outstanding to unsatisfactory. Since 1988 these markings, which are based on the achievement of goals agreed at the beginning of the year, updated if necessary, have been used to make the annual allocation of pay increases performance related. Staff judged to have performed best move further and faster up their pay scales than those whose box markings are no better than average ... Another way to reward performance, with much larger consequences for remuneration at all levels, is by promotion. There is a necessary link between the achievement of agreed objectives and rapid promotion, but the “can-do” culture which has become prevalent in recent years tends to favour those who can demonstrate an ability to deliver what is most wanted by ministers and senior officials.

Evaluation and Research

Both the DTI and the DfEE run research programmes designed to inform the development of policy and evaluate the effectiveness of existing programmes. Often external bodies are commissioned to undertake research projects which have been identified as priority areas. The Employment Relations Research Committee has responsibility for commissioning research on employment issues for the DTI. A major element of the programme during 1998-99 has been the fourth Workplace Employee Relations Survey (formerly the Workplace Industrial Relations Survey) which has involved interviews in approximately 3,300 workplaces and questionnaire responses from approximately 30,000 employees in the same workplaces. According to the DTI, the survey findings, published in September 1999, “will set a benchmark on the state of employment relations in the UK prior to the introduction of the Government’s new legislative measures” (DTI 1998: 58).

The DfEE’s research programme is overseen from within the Financial & Analytical Services Directorate. Over the period 1990-2000 the DfEE plans to spend £7.4 million on research (DfEE 1999: 180) (funds are also provided to the ES for commissioning research). The DfEE is currently reviewing its research priorities and has invited views from the external research community.

Evaluating Executive Agencies

Each executive agency operates according to terms set out in a Framework Document. The Framework Document establishes the responsibilities of Ministers and the Chief Executive, as well as the financial regime and responsibilities in the area of personnel. The Framework Document is reviewed regularly and at each review the Agency is subjected to the same “prior options test” that it faced at its inception. The “prior options test” for agencies considers whether the service is required at all, and if it is required whether it should be delivered by the Government, privatised or subjected to market testing (Central Office of Information 1995).

Performance reviews, evaluating the effectiveness of the agencies established under the Next Steps programme, are published annually as the “Next Steps Review”. This document includes results for each agency for the preceding three-year period. It measures agency performance, efficiency, benchmarking, service quality and Investors in People issues.

Chief Executives are responsible to their parent department for the performance of the agency, and often an element of their salary is linked to the achievement of specified targets. Full cost and income expenditure accounts must be submitted for scrutiny. The Chief Executive is the accounting officer for the agency and thus bears responsibility for demonstrating that public funds have been spent in a way that secures “value for money” in service delivery.

In the case of the ES, a set of targets is produced each year by the Secretary of State for Education and Employment and published in the form of an annual performance agreement. Coinciding with the publication of this agreement, the ES produces an Operation Plan, which specifies how it will attempt to achieve the targets set as well as setting out its priorities for the coming year. Ministers review the ES’s performance on a quarterly basis.

The targets set for the ES for 1998-99 are as follows (reproduced from the Employment Service Operational Plan 1998-99):

“To help people into work by providing the appropriate advice, guidance, training and support either directly or in partnership with others.

- To place 1.3 million unemployed people into work.

To concentrate efforts on helping people improve their employability and move from welfare to work particularly if they have already spent long periods without a job.

- To place 250,000 long-term (6 months plus) JSA claimants into work;
- To place into work 60,000 JSA claimants out of work for 2 years or more;
- To place 100,000 New Deal for 18-24 year old participants into work.

From October 1998

- The number of lone parents who accept an invitation to attend an adviser interview and the percentage of those attending who agree to participate in the New Deal for Lone Parents programme (target levels to be set nearer the time).

To involve people with disabilities in the world of work by helping them to find and retain jobs and encouraging employers to open more opportunities to them.

- To place 80,000 unemployed people with disabilities into work.

To set out clearly the rights and responsibilities of people who claim Jobseeker’s Allowance and ensure that throughout the period of their claim these rights and responsibilities are fulfilled.

- 95 per cent of JSA claims to be legitimately and accurately processed.

To provide a courteous and professional customer service to all jobseekers.

- A 3 per cent improvement in customer service delivery leading to an 85 per cent overall rating.

To deliver these services cost effectively”.

At the close of each year, the ES publishes its Annual Report and Accounts in which actual performance over the preceding year is compared with the targets set. The

Operational Plan and Annual Report are made available free through local Jobcentres or direct from the ES.

The standards of service the unemployed can expect from Jobcentres are laid out in the Agency's Jobseeker's Charter launched in October 1996. The standards contained in the Charter are agreed between the ES and the Benefits Agency and apply in equal measure to Benefits Agency employees working in Job Centres. Standards of service are monitored through a practice dubbed "mystery shopping" carried out for the ES by an independent research company. Service standards are evaluated regularly and the results are posted in each Jobcentre. ES districts covering approximately 150 Jobcentres have also been awarded with Charter Marks, which are nationally recognized awards for service quality.

The ES Internal Audit Unit is located in the Corporate Governance Division. The Internal Audit Committee decides upon the coverage of the audit and the specific performance measures. The Chief Executive of the ES chairs this. The internal audit procedures are as follows. The Chief Executive has responsibility for:

- ensuring appropriate arrangements are put in place for internal audit of the ES and its management information systems and that quality assurance is maintained in the organization;
- appointing an appropriately qualified head of internal audit to report to the Chief Executive as Accounting Officer. The appointment is determined following consultations with the DfEE;
- ensuring that the internal audit conforms to the standards specified in the Government Internal Audit manual. This manual describes the relationship between DfEE and ES internal audits.

Like the ES, the Employment Tribunals Service also has a Charter statement of standards that end-users can expect. This was published in April 1997, coinciding with the launch of the Agency.

Some have argued that the pressures emanating from public expenditure constraints and pledges for value-for-money and economy and efficiency have resulted in a sacrifice of effectiveness in service delivery. There is a clear tension between the objective of achieving "quality" in service delivery and the Government's desire to restrict public funding. One result of this tension has been a tendency for Executive Agencies to set low performance targets in the hope of ensuring a high success rate (Pyper 1995: 113).

Furthermore, McHugh (1998) has argued that insufficient attention has been devoted to developing the organizational culture, systems and reward structures required for agencies to achieve effectiveness in the delivery of programmes over the long-term and that "it is essential that a much more integrated approach be adopted towards strategic planning and management" (ibid.: 62). Others have argued that the level of training within the Civil Service as a whole:

... is not nearly enough if there is a serious intention to change organizational values, or to establish and maintain a coherent set of values in the face of increasing inward or outward mobility (Plowden 1994:31 [cited in Pyper 1995:46].)

Benchmarking and Executive Agencies

A “benchmarking” exercise was conducted from June to December 1996 involving the Next Steps Team, the British Quality Foundation and 30 Agencies. The Business Excellence Model, which was developed by the European Foundation for Quality Management, was employed for the purpose. The BEM has nine criteria covering: leadership; policy and strategy; people management; resources; processes; customer satisfaction; people satisfaction; impact on society; and business results (Next Steps Briefing Note 1997). All of the agencies involved in the experiment developed plans with the aim of improving the key areas identified through the process.

A new phase of the benchmarking project commenced in late 1997. It involved two further groups of Agencies and an independent body, TQM International, which conducted an external validation. By October 1997, 45 agencies and non-departmental bodies had volunteered for a total of 87 assessments (Next Steps Briefing Note, October 1997). A database of results, managed by the Civil Service College, has been compiled from the bench-marking project. It is anticipated that the database will form the most comprehensive record of public sector assessment in Europe. Officials from the Next Steps Team gave a presentation about the project to the OECD in late 1996. Interest was also generated at the 1997 Copenhagen Conference. The EU Commission and the OECD are now working in this area “and looking to the UK to provide advice and support” (Next Steps Briefing Note, October 1997).

The ES has been using the Business Excellence Model and other quality models in parts of the organization and is now commending the Business Excellence Model to the entire organization. Since April 1998, all new TEC licensing arrangements have stipulated that TECs should use the Business Excellence Model so as to allow them to benchmark themselves against one another and against other organizations.

5.3. External audit

The accounts of government departments, executive agencies and non-departmental public bodies are audited and certified by the National Audit Office (NAO). The National Audit Office, which employs around 750 people, is independent of government. It was established in 1983 after 20 years of calls for “effective and accountable state audit” (Robert and Pollitt 1994: 527). It is headed by the Comptroller and Auditor General who has responsibility for authorizing the provision of public funds to government departments and other public bodies. The National Audit Office also has statutory authority to report to Parliament the results of “value for money” examinations, which evaluate the “economy, efficiency and effectiveness” with which the various departments and other organizations use their resources. The organizations subject to audit have opportunities to discuss with the relevant area director of the National Audit Office how value-for-money is to be defined (Roberts and Pollitt 1994).

At the close of each financial year, each Department compiles an “Appropriation Account” for each “Supply Estimate” (or Vote). The accounts demonstrate against a range of subheadings the finances provided and the actual amount spent. Any significant variations must be explained. The Appropriation Account is signed by the Accounting Officer for the Vote who accepts responsibility for the expenditure itself and for the accounts provided. The account is scrutinized by the Comptroller and Auditor General of the National Audit Office who then lays the account before Parliament. The account is subjected to an examination by the Public Accounts Committee (PAC) of the House. The Public Accounts Committee is empowered to summon Accounting Officers to appear before it. Roberts and Pollitt (1994: 531) describe the role of the PAC as follows:

There is no automatic route for the implementation of the PAC's conclusions and recommendations. Ministers decide whether to act upon them or not. Departments take the PAC seriously. It is in many ways the senior Select Committee; it is bipartisan and carries considerable weight. The Government's response to the findings of the PAC takes the form of a published Treasury minute, which explains how it intends to follow up the committee's suggestions. If it is not satisfied with the Government's response, the PAC may take further evidence and produce a further report, although in practice this is infrequent (Likierman 1988).

At the request of the Treasury, and through agreements between the relevant Minister and organizations, the Comptroller and Auditor General conducts audits of a number of non-departmental bodies including Training and Enterprise Councils. There are also annual accounts, termed "White Paper Accounts", which are separate from Departmental accounts but which are presented to Parliament in a similar fashion. The authority for the preparation of accounts is generally to be found in the legislation governing the service to which they relate. This legislation either allows for the Comptroller and Auditor General to scrutinize and certify the accounts or, alternatively, provides for the appointment of commercial auditors. Bodies within the NSLA thus affected are: ACAS, CRE, HSC/E and the EOC.

Concerns have been raised about the effectiveness of the PAC and the ability of committee members to evaluate the management of public sector services (Ryle and Richards 1988). Moreover, the enabling legislation for the National Audit Office and its relationship with the PAC:

... means that the scope of its work remains predominantly *financial*, so that management issues tend to be pursued only to the extent that their relationship to expenditure issues remains obvious. Inevitably, this imparts a certain "slant" to NAO discussions of broader management issues, perhaps especially those which are nowadays termed "human resource management", where questions of motivation and job satisfaction may be paramount (Roberts and Pollitt 1994: 546. Original emphasis).

Roberts and Pollitt also note that the dependence of the NAO on Parliament and the PAC constrains the activities of the NAO by encouraging it to provide non-technical and relatively limited assessments which cater for the PAC's constituency of MPs.

To put it bluntly, a series of high profile evaluations of currently sensitive government policies could encourage the PAC regularly to divide along party lines. That, in turn, would undermine the authority of the committee and, by extension, the legitimacy of the NAO (Roberts and Pollitt 1994: 547).

Fragmentation of Government, brought about via contracting out, privatisation and the creation of agencies and quangos, has resulted in declining strategic coordination and control over implementation from the centre and may have served to reduce rather than enhance public accountability (Rhodes 1996). Nor is it clear that auditing procedures are resulting in improvements in the effectiveness of policy and service provision within the NSLA. The reports of the National Audit Office rarely include a detailed indication of the measures which departments and other audited bodies should take to rectify perceived deficiencies in their performance. As Roberts and Pollitt (1994: 546) note:

Instead, the typical report format simply indicates that a particular aspect requires "continued efforts" or "further consideration" or "review". Thus the audited body is usually left with extensive room for manoeuvre. NAO reports are still couched in the coded politeness of Whitehall speak rather than employing the more specific and prescriptive terms of a management consultant's report.

Parliamentary Select Committees

Parliamentary Select Committees are bodies with a relatively permanent membership drawn from across the political parties. They investigate areas of policy and produce reports as a result of their investigations. Committees are provided with the power to choose their area of inquiry and also have the right to summon individuals to appear before them and submit themselves to questioning (Budge and McKay 1993).

The extent to which the powers of the Select Committee encourage true accountability is, however, questionable. In the case of Agency Chief Executives, for example, Richards (1996: 316) has argued that:

... far from taking the opportunity to modernise the doctrine of ministerial responsibility and develop new forms of public accountability, the [Conservative] Government has chosen to adopt the line that agency chief executives, as civil servants, cannot be personally accountable for the exercise of their stewardship, requiring them to speak to Parliament (through select committees) only on behalf of their ministers, even when they give evidence on their own domain.

5.4. Evaluating TECs and NDPBs within the NSLA

(i) TECs

The amount of funding the TECs receive from the Government is performance related. Resources are allocated according to the number of trainees rather than the relevance, quality or results of training. Concerns have been raised about the standards of training delivered through the TEC system. In response to these concerns, the Government established a Training Standards Council in April 1998 to carry out inspections of the companies and educational institutions responsible for providing training funded by the Government. The TSC reports directly to the Secretary of State at the DfEE.

The DfEE has recently put in place new procedures for the evaluation of government-funded VET provision. The new practices are based on proposals provided by the TEC National Council and include:

- the creation of a Training Standards Council (as above) to oversee and ensure the independence of training inspection;
- the creation of the Training Inspectorate to coordinate a national programme of inspection;
- the piloting of training inspection;
- the creation of fully qualified teams of regional inspectors.

The inspection arrangements cover England alone. The Training Inspectorate is to report on the quality of government-funded VET provided through contracts with TECs. In addition, training inspection will apply to VET provided under the New Deal. The Training Standards Council is expected to provide an annual report to the Secretary of State for Education and Employment and to the TEC National Council.

(ii) ACAS

ACAS's performance is measured according to the following performance indicators:

- costs of individual conciliation cases settled or withdrawn;

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- percentage of individual conciliation cases settled or withdrawn;
 - unit costs of answering public enquiries;
 - percentage of collective conciliation cases where a settlement was achieved or significant progress was made;
 - unit costs of collective conciliation cases where a settlement was achieved or significant progress made;
 - unit costs of completed advisory mediation projects;
 - unit costs of arbitration.

Unit costs are calculated by dividing the cost of all cases by those with a successful outcome. ACAS submits its end of year Annual Report to the DTI. In February 1994, ACAS became the first multi-site Civil Service body to gain recognition as an Investor in People. ACAS was re-accredited in March 1997.

(iii) The Certification Officer

The Office of the Certification Officer is subject to audits of its procedures by the DTI Internal Audit Unit.

(iv) EOC

The accounts of the EOC are subject to the auditing procedures of the Comptroller and Auditor General. In line with other bodies, a prompt payment policy is operated by the EOC. Sample tests during 1996 suggested that 96 per cent of invoices for purchase orders were paid within the target time. In its Corporate Plan for 1997-2001, the EOC states one of its principal aims as being to provide "effective and efficient service". To this end it is working towards IiP status and has introduced Customer Service Standards across all EOC units/departments/offices. The organization is also working "to improve accessibility of services and develop new systems to ensure the cost effectiveness of our service delivery" (EOC 1997: 69).

(v) CRE

The accounts of the CRE are audited by the Comptroller and Auditor General. It is currently working towards IiP status.

(vi) HSC/HSE

The performance of the HSE, as measured against a number of target objectives ranging over personnel, energy conservation, inspections and contacts with firms, is reviewed in the organization's Annual Report (a review is also contained in the Annual Report of the DETR). The HSE has achieved IiP accreditation in 20 of its 21 divisions.

The Department of the Environment has carried out "prior options" reviews into various functions of the HSE. The HSE itself has carried out a "benchmarking study" to evaluate its performance compared to the provision of similar services in other European Union member States. During 1996-97, a new set of 30 performance measures was introduced into the HSC/HSE, in preparation for the implementation of Resource Accounting and Budgeting.

Section 6. Innovative practices

- The Labour Government has placed emphasis on reducing unemployment and social security costs through a number of programmes which fall under the broad “welfare to work” policy initiative. A number of “New Deal” schemes have been launched. These are being financed through a “windfall tax”, which has been levied on the privatised utilities. The “New Deal” for young people affects those aged between 18 and 24 who claim Jobseeker’s Allowance for over six months. The young unemployed are offered an initial period of intensive counselling (known as the “Gateway”) by the Employment Service which also attempts to get them back into work. Those who remain unemployed are provided with four options:
 - (i) employment with a private sector firm. The employer is given £60 per week for up to six months and the job is expected to include at least one day of training each week towards an accredited qualification. £750 is provided towards the costs of training;
 - (ii) six months employment in the voluntary sector, including day-release for training. A grant of up to £400 is paid in addition to an allowance equivalent to benefits. Grants to the voluntary organization of £3,200 per employee are also available;
 - (iii) six months work with the government’s Environmental Taskforce. As with option (ii) day-release is made available for training, a grant of £400 is paid and £3,200 is made available to the environmental organization;
 - (iv) full-time education or training towards a qualification. Funding of £2,300 per individual is provided to further education colleges and training establishments.

Those young people who refuse to take one of the specified options lose their entitlement to benefit. Benefits are stopped for a period of four weeks at a time until an option is taken up.

- For workers aged over 25 who have been unemployed for more than two years there is again the option of employment with a private sector employer. The employer is paid £75 per week for six months for every individual they recruit. Those over 25 also have an opportunity to study for up to 12 months on full-time vocational courses geared towards the award of an accredited qualification.
- The DfEE claims that “The New Deal for the young unemployed will help young people who are unemployed to improve their chances of finding sustained employment by giving them the opportunity to develop the skills and abilities that will equip them for the rest of their lives. For the long-term unemployed, the New Deal will provide the opportunity for those who have been out of work for some time to reconnect to the world of work and to develop their skills through education and training” (DfEE Departmental Report 1998-99: 14).
- “New Deals” for lone parents, partners of unemployed people and the disabled are also being introduced; £195 million has been set aside for the latter group.
- The Government is introducing new policies to support lifelong learning and widen individual access to vocational education and training. *The Learning Age* green paper, published in February 1998, included proposals for Individual Learning Accounts and a “University for Industry” (UfI) to tackle deficiencies in basic and intermediate skills and provide opportunities for lifelong learning.

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- According to the green paper, the University for Industry “will put the UK ahead of the rest of the world in using new technology to improve learning and skills”. Funded through a private-public partnership approach, the Ufi will inform individuals about the courses available to them and help provide them with a course that best suits their requirements. The Ufi will be contactable by telephone, letter, fax, e-mail and also through enquiry desks located in, for example, a supermarket, TEC or high street shop. Use of CD-ROMs and television broadcasting will enable learners to study at home. They will also be able to make use of learning centres equipped with technology. The learning centre might be in the learner’s place of work, in a shopping centre or at a school or college. Pilot projects have been carried out for the Ufi and a free national telephone helpline – Learning Direct – already exists to provide individuals with information relating to access to education and training. The Ufi will be launched in the year 2000. The DfEE has provided approximately £8.8 million for 1998-99 to cover start-up costs. A further £4.2 million has been made available from the Windfall Tax on privatised utilities (DfEE 1999).
 - Individual Learning Accounts (ILAs) are being introduced to enable individuals to save and borrow for investment in education and training. According to the *Learning Age* green paper “they will be used, at the learner’s choice, to pay for learning – whether an evening class, or a learning programme bought through the Ufi, or meeting the cost of childcare so as to give time to study”. The scheme is due to be launched nationally in 2000, although a pilot has been running since April 1999. One million accounts are being offered over the next three years and the DfEE has set minimum targets for certain groups (e.g. workers with no or low qualifications, people returning to the labour market) (DfEE 1999). To open an ILA, workers must contribute £25 and register on a course run by a recognized training provider. They will then be given cheques worth £150 by their local TEC. The May 1999 budget introduced financial incentives for ILA holders in the form of discounts on the cost of courses. The Government is also encouraging employers to contribute to their employees’ learning accounts. Employer contributions are tax deductible. The Government is also investigating “how smart card technology can help people to manage their financial transactions and to plan and record their learning in relation both to their learning account and their membership of the Ufi”.
 - Steps have been taken to involve the TUC and individual trade unions in the Ufi and ILA initiatives. The Government has also recently introduced Union Learning Funds to provide support for union attempts to encourage their members to undertake training. In 1998-99 the DfEE received 66 bids for funding, 45 of which were accepted (DfEE 1999).
 - Trade unions have been provided with new rights to consultation in the area of training. There is also a requirement that they be consulted in redundancy situations involving 20 or more employees.
 - The DfEE has introduced an initiative entitled “Race for the Future”, the objective of which is to promote the importance of racial diversity in the workforce. In taking forward the initiative, the DfEE is working with bodies such as the Commission for Racial Equality and Race for Opportunity (DfEE 1999: 143). An advisory body, entitled the Race Employment and Education Forum, has also been established to “consider and advise on matters relating to the progress of ethnic minorities in the labour market, including the interface between employment, education and training” (DfEE 1999: 144).
 - The UK has, along with Sweden, the most advanced and extensive provisions for tackling racial discrimination in Europe (Leat 1998: 204). Protection in the UK covers recruitment, dismissal and treatment during employment. Legislation covering

discrimination on the grounds of gender, disability, age and sexual orientation has not been as extensive as in some other European economies, although the law is being reviewed and, in the case of sexual orientation for example, is being extended.

- The Equal Opportunities Commission plays an important role in reviewing policy and initiating change. In 1996 the EOC launched a draft *Code of Practice on Equal Pay* which was the first of its kind to be developed by a European member State. According to the EOC, the Code, which was prepared following consultations with employers, unions and groups representing small enterprises and the legal profession, “gives a simple summary on pay and equality law and provides practical advice on ways to build pay systems free of sex bias” (EOC 1997: 15). The Code was laid before Parliament and became effective on 26 March 1997. The Code is designed to promote equal pay between men and women and is admissible as evidence to Employment Tribunals.
- The Government has funded an initiative called Fair Play, developed by the EOC. Fair Play was launched in 1994 as a joint initiative with the DfEE. The initiative seeks to tackle “the barriers facing women at regional and local levels through partnerships”. Fair Play involves a consortium of “key players from the public, private and voluntary sectors” in each of the English Government Office Regions. Fair Play schemes also operate in Scotland and Wales. Total funding for Fair Play in 1999-2000 will be £300,000 (DfEE 1999: 143). The EOC claims that Fair Play has come to be seen as a “model approach” and notes that it has been adopted in Belgium. Fair Play has been extended “into Europe through the OPTIMA programme, a European consortium of regions and countries, all of whom wish to learn from the UK’s experience of networking and partnership approaches to equal opportunities” (EOC 1997: 3).
- The EOC has also been important in promoting the issue of childcare. Its recent campaign around the issue received an enthusiastic response from employers, unions, TECs, voluntary organizations and the Government. The Government has developed a National Childcare Strategy designed to “encourage businesses to provide access to good quality childcare for their employees or to develop policies such as flexible working which help parents look after their children themselves” (Fairness at Work 1998: 31). In its spring 1998 budget, the Government announced that low-income families would be able to claim a tax credit to cover up to 70 per cent of their childcare costs.
- A National Minimum Wage has been introduced in the form of a single hourly rate for all regions, sectors and sizes of company. Lower rates apply to workers aged 18-21 and new recruits aged 22 and above. Workers aged 16 and 17 are exempt. Under the new measures, officials have the power to issue enforcement notices to non-conforming employers. Employers who continue to pay below the national minimum will be liable to financial penalties. Statutory systems already exist in a number of EU member States.
- The Government has introduced a “working families tax credit”, which, in conjunction with the National Minimum Wage, is designed to provide low-income families with a guaranteed minimum income. From October 1999, it is anticipated that no family with a full-time worker will receive less than £200 per week take home pay and none will pay income tax until they reach an earnings threshold of £235 a week.
- The adoption of the European Directive on parental leave has provided an entitlement of up to three month’s unpaid paternity leave. In addition, the Government has extended maternity leave entitlements from 14 to 18 weeks. Workers will be entitled

to extended maternity/paternity leave after one year of employment. This is the maximum qualifying period allowed for under the Parental Leave Directive and coincides with the reduced qualifying period for unfair dismissal claims.

- The Government has also introduced legislation to implement the European Working Time and Young Workers Directives.
- Trade unions have raised concerns relating to health and safety in workplaces that do not recognize trade unions. Workers in such workplaces do not enjoy the right to be represented by trade union safety representatives. Some unions have advocated “roving safety representatives” to provide representation for workers in this position. A similar system has operated in Sweden since 1974. Unions have also argued that existing trade union safety representatives should be empowered to issue “provisional improvement notices” to their employer. A similar system operates in Australia. (Labour Research 1998: 31).
- The HSC is constantly taking steps to increase awareness of occupational risks and enhance the effectiveness of enforcement. The organization has directed resources at helping small firms to improve health and safety. While inspections carried out by the organization have decreased, it is claimed that they are now better targeted and more in-depth.
- Until recently nearly seven million workers had no right to claim unfair dismissal because they had not worked for their employer for a sufficient period of time. The two-year qualification period in the UK was far in excess of that in other EU member States. The *Employment Relations Act 1999* has reduced the qualifying period to one year and will improve rights for workers. The minimum period will, however, still be in excess of all other EU economies, with the exception of Ireland. Economies such as Sweden, Denmark, Finland and Norway stipulate no minimum period (Labour Research 1998d.).
- Most EU member States provide trade unions with rights at the workplace. The ILO has had occasion to condemn the UK’s record in this area, most notably in the case of the Conservative Government’s ban on trade unions at the GCHQ communications centre. The *Employment Relations Act 1999* has introduced, for the first time since 1980, a statutory trade union recognition procedure. This reflects the Government’s espoused commitment to encouraging partnership at work. Small firms will, however, be exempt.
- The *Employment Relations Act 1999* provides other important new rights for employees and trade unions. The maximum limit on awards for unfair dismissal has been increased to £50,000. The use of waivers, by which employees on fixed-term contracts are encouraged to sign away their right to claim unfair dismissal, is to be prohibited (although waivers relating to redundancy compensation will continue to be permitted). Workers sacked while on strike will now enjoy the right to claim unfair dismissal, and the Government has also made it unlawful to discriminate by omission on grounds of trade union membership or non-membership. The Government has taken steps to stop the blacklisting of trade union members. Workers have also gained the legal right to be accompanied by a fellow employee or trade union representative of their choice during grievance and disciplinary procedures.
- As a voluntary alternative to employment tribunals, an ACAS arbitration scheme has been introduced. In its 1998 *Fairness at Work* white paper, the Government stated its hope “that the voluntary arbitration alternative provided by ACAS will create a change of culture so that individuals who have been dismissed unfairly are more likely to get their jobs back”.

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- A new law to protect “whistle blowers” came into force in April 1999. The law, which was introduced under the ***Public Interest Disclosure Act 1998***, prevents workers from being victimized for disclosing that: “a criminal offence has, or is likely to be committed; there has been a failure to comply with a legal obligation; a miscarriage of justice has, or is likely to occur; health and safety is endangered; the environment is, or is likely to be endangered; or that information on any of the above is being concealed” (Labour Research 1998e.). It includes not only direct employees, but also apprentices, homeworkers, agency staff and self-employed workers providing services under contract.

Conclusions

The NSLA in the UK is characterized by its relative diversification and the relative freedom enjoyed by employers in respect of their dealings with workers. The election of the current Labour Government has, however, brought about new forms of protection through, inter alia, the introduction of the National Minimum Wage, provisions for trade union recognition and the ending of the “Social Chapter” opt out. The Government has also taken steps to promote “social dialogue” by consulting both employers and trade unions and involving them in policy formation (a notable example is the Low Pay Commission). The TUC has, however, recently expressed its desire for a more formal approach to social dialogue, which would provide the Social Partners with a role akin to that evident in other EU economies. As Crouch (1995: 252), among others, has noted, the UK is notable for the relative absence of arrangements for coordinating the activities of the state, employers and trade unions.

A key consideration is whether the reforms introduced by Labour will serve to lay the foundations for a renewed industrial dynamism. It has been suggested that the weakening of trade unions and employment protection throughout the 1980s and early 1990s encouraged employers to pursue productivity improvements through more intensive work routines rather than through investments in new technology and skills. The NSLA has therefore been key in entrenching the UK’s position as a low wage, low investment, low productivity economy (Nolan and O’Donnell 1995). These structural weaknesses have had direct implications for workers. Inequalities in earnings and employment opportunities have widened over the past two decades. Despite the provisions of the Equal Pay Act, the gender earnings gap in the UK remains among the largest in Europe (Leat 1998: 177). UK employees are also more vulnerable to dismissal than their counterparts in other European economies.

Recent legislation, such as the *Employment Relations Act 1999*, will go some way to improving job security, representation at work and employment rights. In reforming the NSLA, the Government has sought to propel the UK economy along a “high wage, high investment, high productivity” growth path. Whether its reforms will be sufficient to rectify existing structural weaknesses remains to be seen.

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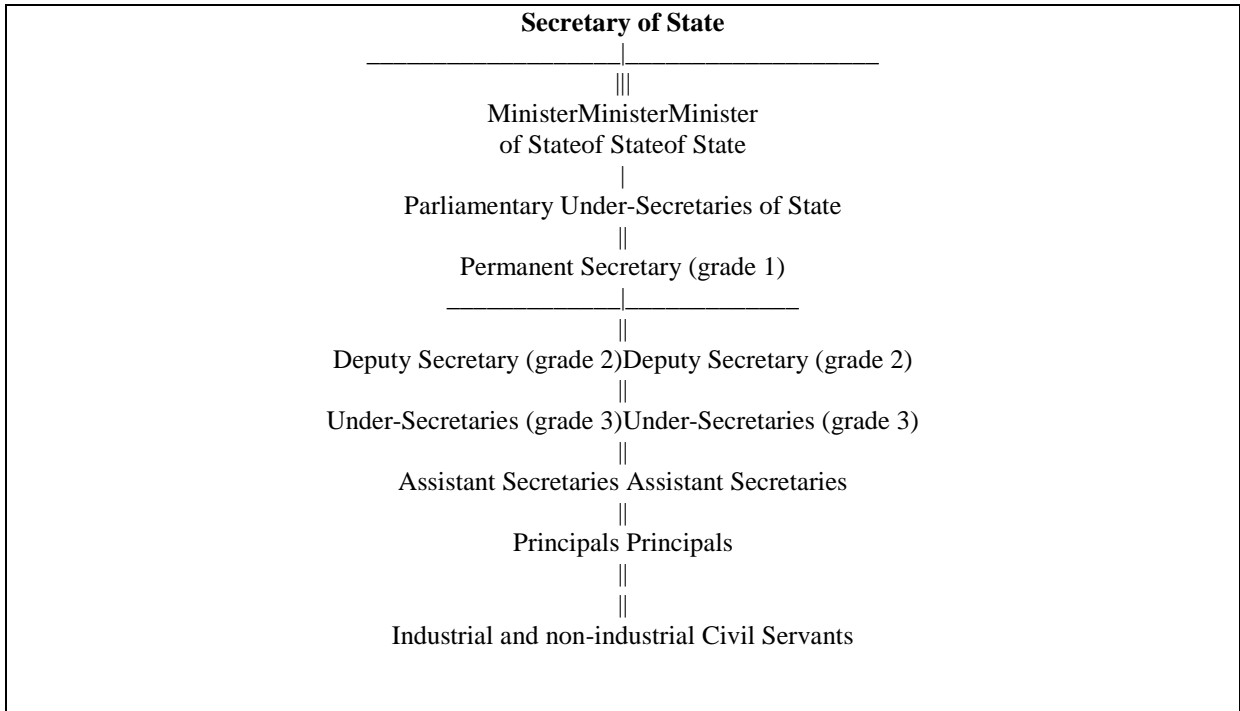
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Appendix 1. Organizational Charts

1. Structure of a Government Department



Note: Adapted from Kavanagh (1996: 311).

Please note: Figure 2 which follows is an accurate representation of the situation up until 1996. The delegation of responsibility for personnel issues to individual Departments and the break up of the common grading and salary structures has meant considerable fragmentation and dilution of common standards below Senior Civil Service (grade 5) level. The Civil Service now attempts to indicate equivalence in terms of levels of responsibility and salary when presenting employment data (see *Civil Service Yearbook*).

2. Civil Service Occupational Groups and Grades

Open structure

Grade 1 (Permanent Secretary)
Grade 2 (Deputy Secretary)
Grade 3 (Under Secretary)
Grade 4
Grade 5
Grade 6
Grade 7

Administration Group

Senior Executive Officer
Higher Executive Officer (D)
Higher Executive Officer
Administration Trainee
Executive Officer
Administrative Officer
Administrative Assistant

Information Officer Group

Senior Information Officer
Information Officer
Assistant Information Officer

Statistician Group

Senior Assistant Statistician
Assistant Statistician

Science Group

Senior Scientific Officer
Higher Scientific Officer
Scientific Officer
Assistant Scientific Officer

Professional and Technological Group

Senior Professional and
Technological Officer
Higher Professional
and Technological Officer
Professional and Technological
Officer
Professional and Technological Officer IV
Trainees
Technical Grade 1
Technical Grade 2

Economist Group

Senior Economic Assistant
Economic assistant

Librarian Group

Senior Librarian
Librarian
Assistant Librarian

Social Security Group

Local Officer 1
Local Officer 2

Secretarial Group

Manager Grades
Senior Personal Secretary
Personal Secretary
Typist

Graphics Officer Group

Marine Services Group

Training Group

Legal Group

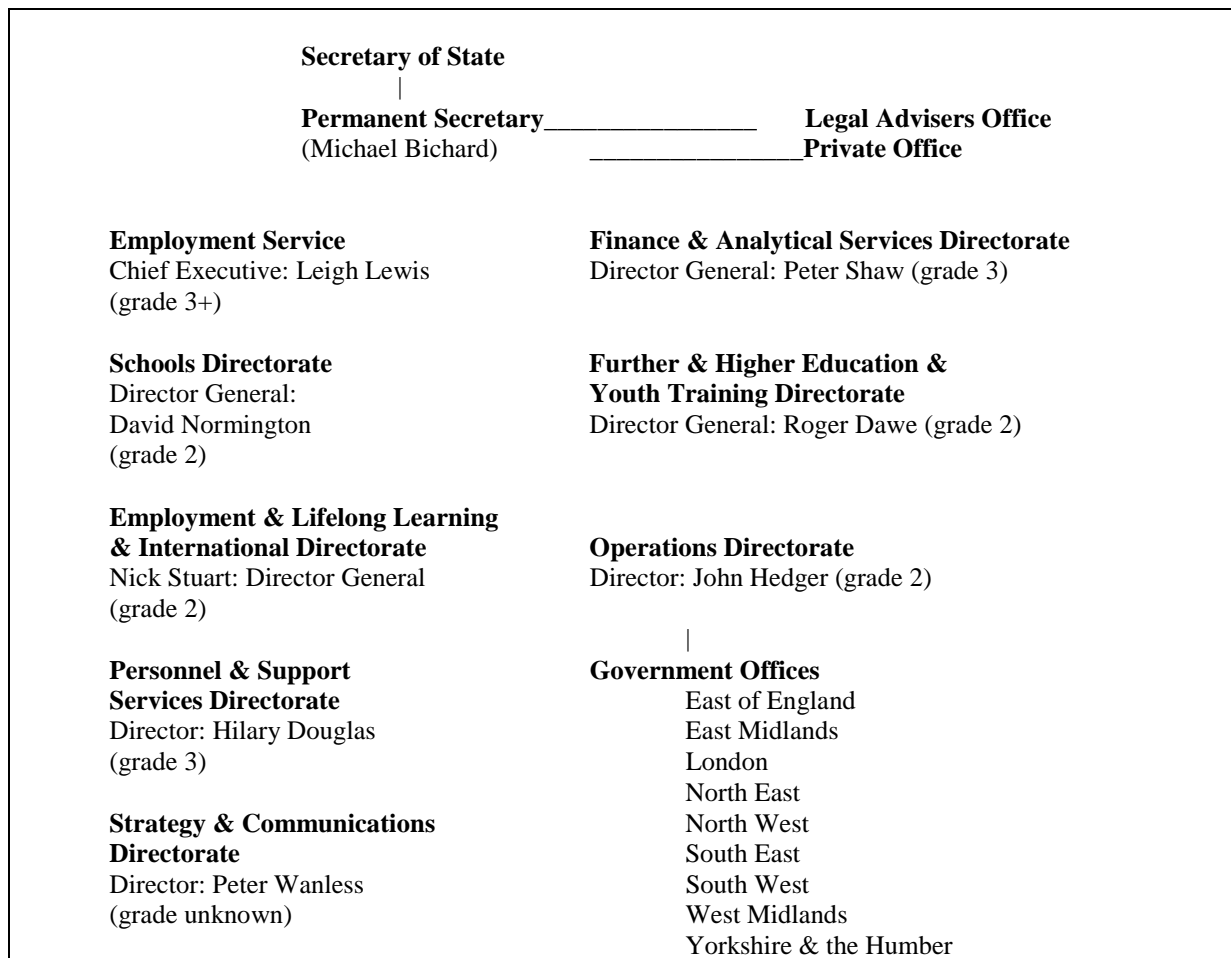
Curatorial Group

Police Group

Research Officer Group

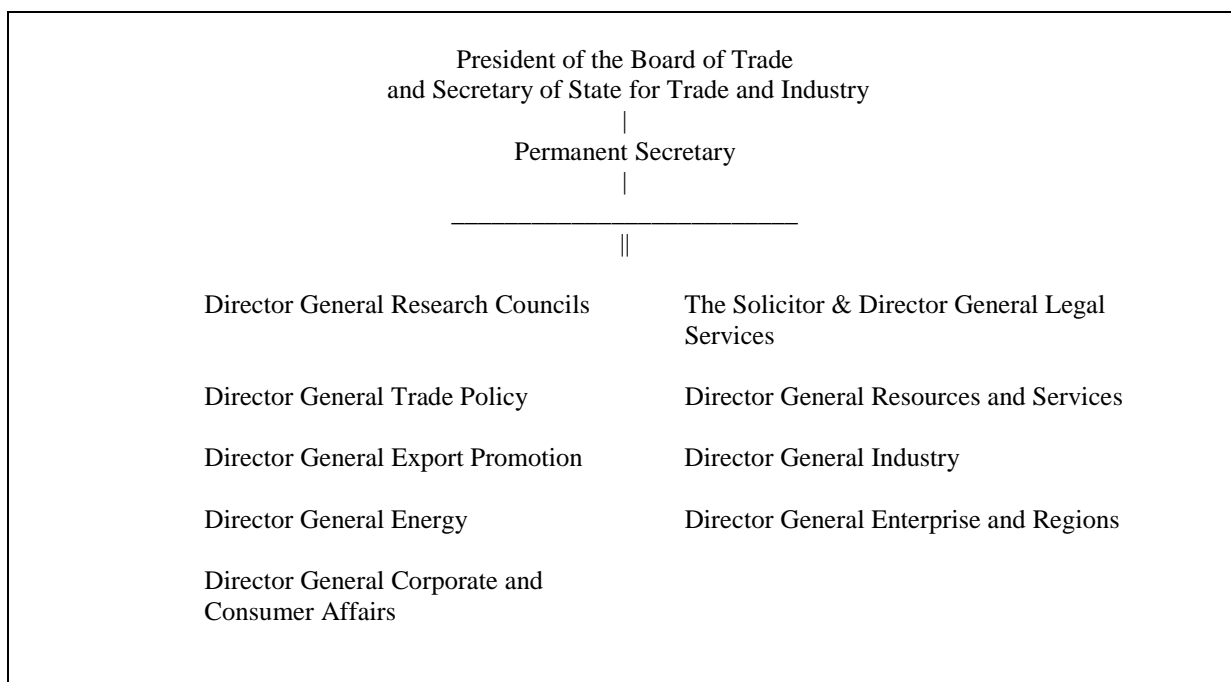
Source: Reproduced from Pyper (1995).

3. Organization of the Department for Education and Employment



Source: DfEE.

4. Organization of the Department of Trade and Industry



Source: DTI (1999).

5. Organization of the NSLA

Department	Executive Agencies	Associated non departmental/independent bodies and quangos linking into Departments
Education and Employment	Employment Service	Equal Opportunities Commission Training and Enterprise Councils Qualifications and Curriculum Authority Construction Industry Training Board Engineering Construction Industry Training Board Remploy Ltd. Investors in People UK National Training Organizations
Trade and Industry	Employment Tribunals Service	Advisory Conciliation and Arbitration Service (and Central Arbitration Committee) Certification Officer
Environment, Transport and the Regions		Health and Safety Commission/Executive
Social Security	Benefits Agency	
Home Office		Commission for Racial Equality

Appendix 6

List of Abbreviations

ACAS:	Advisory, Conciliation and Arbitration Service
CAC:	Central Arbitration Committee
CBI:	Confederation of British Industry
CO:	Certification Officer
CRE:	Commission for Racial Equality
CPUIA:	Commission for Protection against Unlawful Industrial Action
CRTUM:	Commissioner for the Rights of Trade Union Members
DfEE:	Department for Education and Employment
DSS:	Department of Social Security
DETR:	Department of the Environment, Transport and the Regions
DTI:	Department of Trade and Industry
EOC:	Equal Opportunities Commission
ES:	The Employment Service
HSC:	Health and Safety Commission
HSE:	Health and Safety Executive
ITBs:	Industrial Training Boards
ITOs:	Industrial Training Organizations
LECs:	Local Enterprise Companies
MSC:	Manpower Services Commission
NAO:	National Audit Office
NDPB:	Non-Departmental Public Bodies
NEDC:	National Economic Development Commission
NTOs:	National Training Organizations
PAC:	Public Accounts Committee
QCA:	Qualifications and Curriculum Authority
SQA:	Scottish Qualifications Authority
TECs:	Training and Enterprise Councils

TUC: Trades Union Congress

VET: Vocational Education and Training

Appendix 7

The Conventions of the International Labour Organization ratified by the UK

- C.2. Unemployment Convention, 1919 (No. 2)
- C.5. Minimum Age (Industry) Convention, 1919 (No. 5)
- C.7. Minimum Age (Sea) Convention, 1920 (No. 7)
- C.8. Unemployment Indemnity (Shipwreck) Convention, 1920 (No. 8)
- C.10. Minimum Age (Agriculture) Convention, 1921 (No. 10)
- C.11. Right of Association (Agriculture) Convention, 1921 (No. 11)
- C.12. Workmen's Compensation (Agriculture) Convention, 1921 (No. 12)
- C.15. Minimum Age (Trimmers and Stokers) Convention, 1921 (No. 15)
- C.16. Medical Examination of Young Persons (Sea) Convention 1921
- C.17. Workmen's Compensation (Accidents) Convention, 1925 (No. 17)
- C.19. Equality of Treatment (Accident Compensation) Convention, 1925 (No. 19)
- C.22. Seamen's Articles of Agreement Convention 1926
- C.23. Repatriation of Seamen Convention 1926
- C.24. Sickness Insurance (Industry) Convention 1927
- C.25. Sickness Insurance (Agriculture) Convention 1927
- C.29. Forced Labour Convention 1930
- C.32. Protection Against Accidents (Dockers) Convention (Revised) 1932
- C.35. Old-Age Insurance (Industry, etc.) Convention 1933
- C.36. Old-Age Insurance (Agriculture) Convention, 1933 (No. 36)
- C37. Invalidity Insurance (Industry, etc.) Convention, 1933 (No. 37)
- C.38. Invalidity Insurance (Agriculture) Convention, 1933 (No. 38)
- C.39. Survivors' Insurance (Industry, etc.) Convention, 1933 (No. 39)
- C.40. Survivors' Insurance (Agriculture) Convention, 1933 (No. 40)
- C.42. Workmen's Compensation (Occupational Diseases) Convention (Revised), 1934 (No. 42)
- C.44. Unemployment Provision Convention, 1934 (No. 44)
- C.50. Recruiting of Indigenous Workers Convention, 1936 (No. 50)
- C.56. Sickness Insurance (Sea) Convention, 1936 (No. 56)

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- C.64. Contracts of Employment (Indigenous Workers) Convention, 1939 (No. 64)
- C.65. Penal Sanctions (Indigenous Workers) Convention, 1939 (No. 65)
- C.68. Food and Catering (Ships' Crews) Convention, 1946 (No. 68)
- C.69. Certification of Ships' Cooks Convention, 1946 (No. 69)
- C.74. Certification of Able Seamen Convention, 1946 (No. 74)
- C.80. Final Articles Revision Convention, 1946 (No. 80)
- C.81. Labour Inspection Convention, 1947 (No. 81)
- C.82. Social Policy (Non-Metropolitan Territories) Convention, 1947 (No. 82)
- C.83. Labour Standards (Non-Metropolitan Territories) Convention, 1947 (No. 83)
- C.84. Right of Association (Non-Metropolitan Territories) Convention, 1947 (No. 84)
- C.85. Labour Inspectorates (Non-Metropolitan Territories) Convention, 1947 (No. 85)
- C.86. Contracts of Employment (Indigenous Workers) Convention, 1947 (No. 86)
- C.87. Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)
- C.88. Employment Service Convention, 1948 (No. 88)
- C.92. Accommodation of Crews Convention (Revised), 1949 (No. 92)
- C.97. Migration for Employment Convention (Revised), 1949 (No. 97)
- C.98. Right to Organise and Collective Bargaining Convention, 1949 (No. 98)
- C.100. Equal Remuneration Convention, 1951 (No. 100)
- C.102. Social Security (Minimum Standards) Convention, 1952 (No. 102)
- C.105. Abolition of Forced Labour Convention, 1957 (No. 105)
- C.108. Seafarers' Identity Documents Convention, 1958 (No. 108)
- C.111. Discrimination (Employment and Occupation) Convention, 1958 (No. 111)
- C.114. Fishermen's Articles of Agreement Convention, 1959 (No. 114)
- C.115. Radiation Protection Convention, 1960 (No. 115)
- C.116. Final Articles Revision Convention, 1961 (No. 116)
- C.120. Hygiene (Commerce and Offices) Convention, 1964 (No. 120)
- C.122. Employment Policy Convention, 1964 (No. 122)
- C.124. Medical Examination of Young Persons (Underground Work) Convention, 1965 (No. 124)
- C.126. Accommodation of Crews (Fishermen) Convention, 1966 (No. 126)
- C.133. Accommodation of Crews (Supplementary Provisions) Convention, 1970 (No. 133)

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- C.135. Workers' Representatives Convention, 1971 (No. 135)
 - C.140. Paid Educational Leave Convention, 1974 (No. 140)
 - C.141. Rural Workers' Organisations Convention, 1975 (No. 141)
 - C.142. Human Resources Development Convention, 1975 (No. 142)
 - C.144. Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144)
 - C.147. Merchant Shipping (Minimum Standards) Convention, 1976 (No. 147)
 - C.148. Working Environment (Air Pollution, Noise and Vibration) Convention, 1977 (No. 148)
 - C.150. Labour Administration Convention, 1978 (No. 150)
 - C.151. Labour Relations (Public Service) Convention, 1978 (No. 151)
 - C.160. Labour Statistics Convention, 1985 (No. 160)