Employment Subsidies Act 1978

1978 CHAPTER 6

An Act to authorise payments to employers as a means of contributing to the alleviation of unemployment.

[23rd March 1978]

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

Schemes for financing employment.

1.—(1) The Secretary of State may, if in his opinion unemployment in Great Britain continues at a high level and with Treasury approval set up schemes for making payments to employers which will enable them to retain persons in employment who would or might otherwise become unemployed, to take on new employees, and generally to maintain or enlarge their labour force.

(2) In Northern Ireland the Department of Manpower Services may, if in its opinion unemployment in Northern Ireland continues at a high level, with the approval of the Department of Finance set up schemes for making such payments to employers as are referred to in subsection (1).

(3) Before setting up any such scheme, the Secretary of State and the Northern Ireland Department shall consult with such organisations, including those representing employers and workers respectively, as are considered appropriate.

Parliamentary control of expenditure.

2.—(1) The Secretary of State shall not, after 30th June 1978—

(*a*) set up any new scheme whose expected cost exceeds £10 million a year; or

(*b*) alter or extend any existing scheme, set up after that date and not so far costing more than £10 million a year, in such a way that the expected cost of the scheme as altered or extended exceeds that amount,

unless he has previously been authorised to do so by a resolution of the House of Commons.

(2) If the expected cost of a new scheme proposed to be set up, or of an existing scheme as proposed to be altered or extended, exceeds those limits, the Secretary of State shall, with a view to obtaining such a resolution, lay before the House of Commons a statement explaining the proposal.

(3) Subsections (1) and (2) above do not apply where the Secretary of State is satisfied that compliance would involve unacceptable delay in the taking of urgent essential measures against unemployment; but if he proceeds without a resolution of the House he shall lay before the House a statement of the action he has taken and his reasons for so proceeding.

Supplementary provisions.

3.—(1) Section 1 above authorises the continuance of schemes previously set up under section 5(1)(*b*) and (*c*) of the Employment and Training Act 1973 (measures for securing temporary continuation of employment etc.) and section 5A of the Employment and Training Act (Northern Ireland) 1950.

1973 c. 50.

1950 c. 29 (N.I.).

(2) The powers of section 1 shall not be exercisable after the end of 1979, unless renewed—

(*a*) for Great Britain, by order made by the Secretary of State (with Treasury approval) in a statutory instrument; or

(*b*) for Northern Ireland, by order made by the Department of Manpower Services with the approval of the Department of Finance.

(3) No order shall be made under subsection (2) above for Great Britain unless a draft of it has been laid before, and approved by a resolution of, the House of Commons; and an order under that subsection made for Northern Ireland—

(*a*) shall be a statutory rule for the purposes of the Statutory Rules Act (Northern Ireland) 1958; and

1958 c. 18 (N.I.).

(*b*) shall be subject to affirmative resolution within the meaning of section 41(4) of the Interpretation Act (Northern Ireland) 1954.

1954 c. 33 (N.I.).

(4) The powers may be so renewed more than once, but not for a period longer than 18 months by means of any one order; and the order must be made on or before the date on which the powers would otherwise lapse.

(5) Although the period has expired in which new schemes could be set up under the powers, the Secretary of State and, in Northern Ireland, the Department of Manpower Services may continue to make payments in pursuance of commitments incurred under schemes set up or continued by virtue of section 1, but not for longer than 18 months after the period has expired.

(6) Any sums required by the Secretary of State for the purposes of schemes set up or continued under section 1 shall be paid out of money provided by Parliament.

(7) The following enactments are repealed—

1973 c. 50. (*a*) in section 5(1) of the Employment and Training Act 1973, paragraphs (*b*) and (*c*);

1975 c. 71. (*b*) in paragraph 2 of Schedule 14 to the Employment Protection Act 1975, sub-paragraphs (2) to (5); and

1950 c. 29 (N.I.). (*c*) section 5A of the Employment and Training Act (Northern Ireland) 1950;

S.I. 1976/1043. and Article 65 of the Industrial Relations (Northern Ireland) Order 1976 is revoked.

Citation. **4.** This Act may be cited as the Employment Subsidies Act 1978.