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cc Mr Ingham

Prime Minister

Yes - excellent. m

Content with this draft, despite its length?

I believe you have told Mr Tebbit that you are content with the draft of the White Paper - that is elsewhere in the box.

MAD 11/x11

PRIME MINISTER

DRAFT PARLIAMENTARY STATEMENT ON TRAINING AND SPECIAL EMPLOYMENT MEASURES

Further to my minute of 4 December I now enclose a draft text of the Statement I propose to make in the House on Tuesday next, 15 December.

As you will see, I have emphasised in paragraphs 11-13 our ultimate objective of bringing more of the young unemployed into jobs with proper training.

I have done my best to keep the statement as short as possible but there is a great deal of ground to cover and I doubt whether it can be compressed any further without losing important material.

I am copying this minute to E Committee colleagues, the Secretaries of State for Scotland, Wales and Social Services, the Lord President, the Chief Whip, Sir Robert Armstrong, Mr Ibbs and Mr Ingham.

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10 December 1981

DRAFT STATEMENT TO THE HOUSE ON TUESDAY 15 DECEMBER

TRAINING AND SPECIAL EMPLOYMENT MEASURES

With permission, Mr Speaker, I should like to make a statement on training and special employment measures further to the measures announced on 27 July by my rt hon Friend the Prime Minister.

As is appropriate in the International Year of the Disabled I have decided to extend the special Job Release Scheme, open to disabled men of 60 and over, until March 1984. All the Job Release allowances will be increased next April by 9%. At the same time the conditions of the scheme in the public and private sectors will be brought into line.

I have decided to extend the Temporary Short Time Working Compensation Scheme, which is due to end next March, by two years, taking the last application in March 1984. From July 1982 the maximum period of support will be six months.

In the last annual review provision was made to expand the Community Enterprise Programme to 25,000 places. This will now be further increased to 30,000 places in 1982-83.

With these changes the total provision for these three special employment measures in 1982/83 has been increased this year by

£140m to £524m, with an additional £61m for the Young Workers' Scheme which starts on 4 January next.

Now I turn to training. I have today published a White Paper which sets out the action needed to bring our system of industrial training up to date. We have drawn substantially upon the recommendations made by the Manpower Services Commission in their Report, also published today, on the response to the consultative document "A New Training Initiative" which was issued last May.

The White Paper provides a framework for action by all concerned in industry and education, and sets out the lead the Government is giving in a ten point agenda. I should draw to the attention of the House three of these points in particular.

First, there will be a new £1 billion a year programme for unemployed young people, which will guarantee a full year's foundation training for all those leaving school at the minimum age and finding themselves without jobs. Many other unemployed youngsters under the age of 18 will also be eligible for suitable training under the programme. Over the next eighteen months this entirely new Youth Training Scheme will progressively replace the Youth Opportunities Programme and will give unemployed young people training in basic skills which employers will need in the future. We are determined to lose no time in reaching the position where every 16 year old school leaver is in work, or in further education, or has a genuine opportunity of a year's training. By taking the decisions now I am able to ask the Manpower Services Commission to ensure that this new Youth Training

Scheme is in full operation by the autumn of 1983.

Meanwhile the Youth Opportunities Programme will be expanded as announced in July, the Careers Service will accordingly be strengthened by 240 posts, and the YOP allowance will be increased to £25 from next January.

Under the new Youth Training Scheme young people who are unemployed in their first year after leaving school at 16 will have a new "trainee" status. Like those who remain in further education they will have no eligibility of their own for supplementary benefit except for the special groups. While on the Scheme they will, however, received a training allowance. This will reflect the value of the training they receive, and their learning role, and I expect it to be something over £15. For older trainees who remain eligible for supplementary benefit, the allowance will be higher. I expect it to be around £25.

Employers, trade unions and educationalists have all, rightly, expressed concern for the young unemployed. I therefore trust that I can now depend upon their wholehearted support in making this new scheme a success.

This new scheme breaks entirely new ground in the training of young people in this country, and it is directed to young unemployed people as a first priority. But our ultimate objective is proper training for all young people, whether employed

or unemployed, and to bring more of the young unemployed into jobs with proper training.

For those in jobs, we are increasing the financial encouragement we already give employers to provide foundation training for their young employees, so as to cover some 50,000 trainees in 1984/85. We are also continuing into 1982/83 the higher level of support for apprentice training announced for the present year last July, so giving continued support to some 35,000 trainees.

The new scheme I have announced will now go ahead quickly to ensure that there will be universal provision for unemployed school leavers. But the Government hopes that the further study of youth training to be undertaken by the MSC will identify fresh ways in which to help get many more of the young unemployed into jobs with proper training where, of course, they could be paid more than the allowances under our scheme for the unemployed. To the extent that their training needs can be met in such ways we would be willing to transfer resources proportionately to such schemes.

Secondly, we wholeheartedly support the MSC proposal that employers and unions should accept, and implement, the objective that by 1985 all training should be to standards without regard to age. Government assistance for skill training will be made increasingly conditional upon steps towards implementing training to standards and the removal of any unnecessary restrictions.

Thirdly, we have asked the Manpower Services Commission to develop an Open Tech programme to make technical training more accessible to all with the necessary ability.

Other important points of action are set out in the White Paper including steps to improve preparation for working life in schools and colleges.

In pursuit of all these commitments by Government we have during the course of this year increased the provision for training expenditure in 1982/83 by £429m to a total of over £1.1 billion, in 1983/84 by an extra £517m to a total of nearly £1.3 billion and in 1984/85 by an extra £648m to a total of nearly £1.5 billion, including over £1 billion on the new Youth Training Scheme.

Despite restraints on public expenditure we are therefore providing resources totalling nearly £4 billion over the next three years to bring our training arrangements up to date. With the assistance of the Manpower Services Commission's proposals we have provided a clear framework within which employers, unions, local authorities, education services and trainees themselves can play their part to modernise our training system. These steps are long overdue. Let us set out to provide training fit for a great industrial and trading nation.

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Treasury Chambers, Parliament Street, SW1P 3AG

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15 December 1981

The Rt. Hon. Norman Tebbit, MP.,
 Secretary of State for Employment

Dear Norman

DRAFT PARLIAMENTARY STATEMENT ON TRAINING AND SPECIAL EMPLOYMENT MEASURES

Thank you for sending me a copy of your minute of 10 December to the Prime Minister, enclosing a draft of the statement which you propose to make on 15 December. I am broadly content with the draft, but have a number of suggestions to offer.

First, I think we should be careful not to suggest that the new Youth Training Scheme is a complete departure from the Youth Opportunities Programme. Such a claim would be hard to sustain; and anyway, we do not want to suggest that all aspects of the YOP are unsatisfactory. I can well understand the need to emphasise the changes justifying the reduction in the level of allowances for 16 year olds. But I think it would be helpful to make it clear that features such as work experience on employers premises, and community service projects, will remain.

A second and connected point is that I think we should take more credit for the planned expansion of YOP during 1982-83. A large part of the additional provision announced in July was to improve the duration and quality of YOP courses; and it would be helpful to make this clear, perhaps in the first full paragraph on page 3 of the draft.

Next, I am anxious to avoid too much precision about the level of the allowance for 16 year olds when the comprehensive scheme is introduced in September 1983. I suggest that the second full paragraph on page 3 of the draft should say that the allowance is expected to be "around £15" rather than "something over £15" (the same expression is used about the allowance for older trainees).

Turning to other aspects of the draft, I think the passage on the temporary short-time working compensation scheme could give the impression that the extension by two years is a concession, whereas we have, of course, decided to terminate the scheme in 1984. I suggest inserting at the end of the first sentence of the paragraph "when the scheme will be wound up".

/Finally, it



Finally, it is essential to bring out that the expenditure announced in your statement is within existing public expenditure and fiscal strategies. I should be grateful if you would add at the end of the last paragraph but one of the draft:

"The provision for 1982-83 is included in the expenditure plans for that year announced by my rt. hon. Friend the Chancellor of the Exchequer on 2 December. The amounts for later years will be accommodated within the totals to be announced in due course".

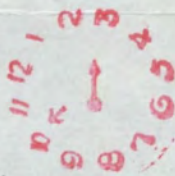
I am sending copies of this letter to the Prime Minister, other members of E, the Secretaries of State for Scotland, Wales and Social Services, the Lord President, the Chief Whip, Sir Robert Armstrong, Mr. Ibbs and Mr. Ingham.

I have, of course, seen a note of the changes which you discussed with Leon Brittan

GEOFFREY HOWE

[Handwritten signature]

75 DEC 1981



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cc AO ✓ per

DEPARTMENT OF EDUCATION AND SCIENCE
ELIZABETH HOUSE, YORK ROAD, LONDON, SE1 7PH
TELEPHONE 01-928 9222

FROM THE PARLIAMENTARY UNDER-SECRETARY OF STATE

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

14 December 1981

Dear Norman,

DRAFT PARLIAMENTARY STATEMENT ON TRAINING AND SPECIAL EMPLOYMENT MEASURES

In his absence abroad Keith Joseph has asked me to let you have our comments on the draft statement attached to your minute of 10 December to the Prime Minister. ^{TPM}

2. We are generally content, but hope you will emphasise the importance of cooperation with education interests at all stages. I would suggest that this should be made quite clear in the interests of accuracy in your references to the content of the Youth Training Scheme, to Unified Vocational Preparation and to the function of the Open Tech. In addition, the very slight substantive reference to the role of the education service might appropriately be expanded to refer to the increased provision being made for 16-19s.

3. I accordingly suggest that:

the third line of the last paragraph on the second page of the draft might refer to "foundation training and relevant further education";

the third line of the second full paragraph on page 3 should read "full-time education" and the seventh line of that paragraph should refer to "training and education";

the second line of the first full paragraph on the penultimate page should refer to "provide foundation training and release for education";

the penultimate line of that page should refer to "technical training and education";

the following sentence should be added to the first paragraph on the final page: "For those over 16, this will be helped by the funding for extra provision announced by my rt hon Friend the Prime Minister on 27 July 1981."

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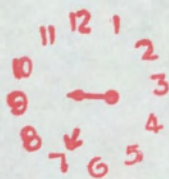
4. I am sending copies of this letter to the recipients of your minute to the Prime Minister.

For you,

Bill

WILLIAM SHELTON

15 DEC 1981



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PRIVATE AND CONFIDENTIAL



Government Chief Whip
12 Downing Street, London SW1

*overaken by today's
meeting.*

Secretary of State for Employment

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MJP 14/11/81

Thank you for sending me a copy of your draft Parliamentary Statement on Training and Special Employment Measures. I am very concerned not to have a further row within the Party, and do not, therefore, believe that it would be sensible to agree this finally until we have considered the points which Jim Lester and others have raised.

I am sending a copy of this minute to the Prime Minister, Francis Pym and Sir Robert Armstrong.

11 December 1981