

PRIME MINISTER

21 March 1985

Pure Murks: 1
White Paper
attached. Agree
to pass in PM's
Unit proposals?

WHITE PAPER ON 14-18 YEAR OLDS

The substance of the White Paper is in line with Ministerial decisions.

Yes, not OK

There are problems with the drafting. Both the introduction (paragraph 1-2) and the first part of the conclusion (paragraphs 42-43) are lacklustre. In particular, it is not clear how the 8-point 'approach' outlined in paragraph 43 relates to specific Government policies. Paragraph 22 is difficult to follow, and paragraph 23 is dangerously ambiguous.

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To carry conviction, these parts of the document will need to be re-written. The introduction should briefly outline the Government's general strategy for training and jobs and should describe the place of training in that strategy. The conclusion should begin with a short, clear, re-statement of the Government's achievements, and a reminder that this is the first Government to have taken training seriously.

There is one major omission: the section on the YTS itself (paragraphs 29-34) does not describe what the Government hopes to achieve in the second year of training. The press will want to know what additional skills could be acquired: to satisfy this curiosity convincing examples should be found from the high-technology parts of the scheme.

We also wonder whether the paper is addressed to the right audience. The need for a traditional White Paper is already covered by Tom King's efforts. The real problem now is to sell YTS to the employers. This Paper should therefore be addressed primarily to them. For that purpose a shorter, crisper, more business-like document would be more suitable. Is it really too late to make the change?

We recommend that you should mention these points to David Young, so that he can consider revising the paper.

Oliver Letwin
OLIVER LETWIN

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CCOK



CABINET OFFICE

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From the Minister without Portfolio
The Rt Hon Lord Young of Graffham

The Rt Hon Tom King MP
Secretary of State
Department of Employment
Caxton House
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LONDON SW1

21 March 1985

Des Tom

WHITE PAPER ON 14 to 18s

I thought I should consult you about the arrangements for launching the White Paper on 14 to 18s, which we have agreed will be published on Tuesday, 2 April.

I would anticipate that there will be a fair degree of media interest in the document. I propose therefore to hold a Press Conference here in Cabinet Office on 2 April, probably at 4.30 pm, to provide an opportunity to explain the significance which we attach to developing education and training policies for this age group. I very much hope that you will agree to join me at the Conference and speak about the expanded YTS and about the consultations which you have asked MSC to undertake about the new training scheme. Similarly I very much hope that Keith Joseph, to whom I am copying this letter, will join us so that he can expand on the in-service teacher training proposals for 1985/86 and 1986/87. Keith's presence, along with yours, would do much to emphasise the partnership between education and training which the White Paper represents.

We will also need to emphasise the importance which Ministers attach to sorting out the present structure of vocational qualifications. I am asking my officials to co-ordinate with yours and Keith's the preparation of a press release and background briefing on the White Paper as a whole.

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It will also be necessary to arrange for a Parliamentary Question about the outcome of the Government's review of provision for 14 to 18 year olds to receive a Written Answer in the Commons on the same day. Subject to the Prime Minister's views, I think that it might be particularly appropriate for the Answer to be given by her on behalf of the Government as a whole. My officials would obviously consult your Department and others as necessary about the draft reply.

I am copying this letter also to the Prime Minister; to George Younger, Nicholas Edwards, Norman Fowler, and Norman Tebbit, in case they would like to be at the Press Conference or to be suitably represented; and to Nigel Lawson and Sir Robert Armstrong.

Lawson
Nigel

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27 MAR 1965



EDUCATION AND TRAINING FOR YOUNG PEOPLE

DRAFT WHITE PAPER

1 This White Paper outlines the new Government initiatives on the work-related education and training of young people, particularly those between 14 and 18. They build on the substantial achievements of the last two or three years, and look to a coherent and comprehensive policy for all young people.

2 Young people leaving school today will have a working life extending well into the twenty-first century and their preparation for work now must take account of the changes they are likely to have to face over their working lives. Change will be one of the few constant factors: increasingly our prosperity and growth will depend not on the advantages of natural resources but on the skills and adaptability of our workforce. For prosperity and growth we need to invent, innovate and to invest in and exploit new technologies. We must be quick to identify new and growing markets and adapt and change to meet them. All these factors emphasise the need for changing attitudes and increasing flexibility at all levels in the working population - starting with young people.

3 The recent report "Competence and Competition" commissioned by the Manpower Services Commission (MSC) and the National Economic Development Council pointed to the

strong correlation between the greater investment in vocational education and training of our major competitors and their superior economic performance. The report underlines the Government's view that vocational education and training are not marginal activities, but are central to our economic growth and prosperity.

4 The Government's White Paper on a "New Training Initiative" in 1981 (Cmnd 8455) set out our national training objectives of securing:-

- i modernisation of training in occupational skills with particular emphasis on training to agreed standards of skills appropriate to the jobs available;
- ii better preparation in schools and colleges for working life and better arrangements for the transition from full time education to work;
- iii wider opportunities for adults to acquire and improve their skills.

5 The Government's White Paper "Training for Jobs" published in January 1984 (Cmnd 9135) summarised progress. Since then the MSC and others have taken further action in developing provision for young people and in identifying new training opportunities for adults. The White Paper "Better Schools" (Cmnd) sets out the Government's policies for

improving the contribution of our schools to the preparation of young people for working life.

Developments in full-time education

6 There have been developments of major significance within the education system. The White Paper "Better Schools" describes the measures taken by the Government, together with its partners in the education service, on the curriculum, examinations and teaching quality in England and Wales. All these are designed to develop in pupils and students, at all levels of ability, the positive personal qualities which will provide the necessary broad, balanced and practical foundation for vocational specialisation and for training in a technological society.

7 Among the measures to improve the system of examinations and assessment is the introduction of the Certificate of Pre-Vocational Education (CPVE) which will provide courses of general education with a strong vocational bias for young people who choose to stay on in full-time education for one year after the compulsory period. The CPVE, which is described in paragraphs 112-115 of Cmnd has been developed for use in FE colleges as well as schools. The new GCSE examinations will place more emphasis on practical competence and problem-solving approaches.

8 There is in the non-advanced sector of further education (NAFE) a constant flow of new courses, some

nationally and others more locally available; and adjustments are made to the pattern of vocational qualifications as judged apt by the examining and validating bodies on which employers are represented. Further impetus towards the evolution of courses in NAFE will come from the involvement of the MSC through the new funding arrangements announced in paragraph ... of Cmnd 9135 ("Training for Jobs") and by improvements in the system of vocational qualifications which the Government intends to secure through the measures described in paragraph 32 below.

9 Links between schools and industry are being established and reinforced. A range of projects has been developed, including the Micros in Schools Scheme, the Microelectronics in Education Programme and British Schools Technology, aimed at providing a more relevant education and developing an understanding of enterprise and wealth creation.

10 In Scotland two major development programmes are in progress:-

a all courses for 14-16 year olds in schools are being revised to incorporate a much greater emphasis on problem-solving and on the use of practical and oral skills in the application of knowledge. Each young person will have a series of well-defined goals. Achievement by pupils of all abilities will be tested

against nationally-defined levels of performance and recorded on the new standard grade of the Scottish Certificate of Education;

- b the revision on a modular basis of all non-advanced further education qualifications is nearing completion. A flexible system of modular programmes now exists for general vocational preparation for young people, whether at school or college full or part time in the YTS, and for adults requiring training or retraining. Competence and attainment are validated to national standards and modules successfully completed are recorded on the new National Certificate awarded by the Scottish Vocational Education Council.

Technical and Vocational Education Initiative

11 In late 1982, the Government announced the Technical and Vocational Education Initiative (TVEI). Its main purpose is to explore the best ways of managing the education of 14 to 18 year olds so as to increase the number obtaining work-related qualifications. The TVEI has powerfully re-inforced moves towards the development of a more relevant curriculum and closer collaboration between education and industry.

12 The initiative is administered through the MSC. 62 projects (57 in England and Wales and 5 in Scotland) have already commenced. In October 1984 those Local Education Authorities (LEAs) and Education Authorities (EAs) which had

not yet started projects were invited to submit bids for starting in 1985 or 1986. So far, 19 LEAs or EAs have submitted firm proposals for 1985 and the indications are that a similar number are interested in starting in 1986. Thus, by 1986, nearly all Education Authorities will be taking part in the Initiative. There is now emerging a nationwide TVEI network of projects within the education system, each different in detail but with a similar set of objectives, similar management structure and working within broad and agreed national guidelines. This network is important as an instrument for change within the educational system. Each project starts with a broad programme, including technical and vocational elements, which becomes progressively more specialised. Each is open equally to boys and girls, and to young people of all abilities. Each project leads young people to seek the qualifications and skills which will be of value to them at work. Each is involving industry in a number of ways, and in every case industry is formally participating in the development of the project.

13 These new developments are attractive to young people and parents. Many TVEI projects have been oversubscribed. There is substantial curriculum development in all TVEI projects. And a major effort has been made with in-service training and retraining of teachers and tutors.

Developments in youth training

14 So far as young people are concerned, the most significant training development since the Second World War took place with the launching of the Youth Training Scheme (YTS) in April 1983. The Scheme has been a success, not least because of the support of employers, trade unions, the education service and many others.

15 The achievements of the YTS are already considerable:-

- a over 700,000 young school leavers have entered the Scheme since its start and this figure will rise to over a million by early next year;
- b 4,000 managing agents - many of them private sector employers or groups of employers - and 1,500 sponsors of non-employer based schemes ("Mode B") have come forward to provide over 400,000 approved places;
- c an increasing proportion of places are reaching the quality standards laid down;
- d returns show over 60% of entrants to the Scheme moving forward into work;
- e nearly 170 Information Technology Centres (ITeCs) are currently operational; when complete later this year,

the network will provide places for some 6,000 young people;

f advances have been made to secure the safety and health of young people taking part in the Scheme.

16 Perhaps still more significantly, the YTS has:

a provided structured, work-based training including a minimum of 13 weeks off-the-job which was a new feature for many school leavers;

b introduced training to many sectors of employment where no such opportunities existed before;

c encouraged a significant move away from time-based training patterns towards flexible and individually-tailored training;

d emphasised the contribution of education and training to young people's personal development;

e provided a major advance in the competence of trainers - over 100,000 trainers will have passed through accredited training centres by the end of this year.

17 Work continues to improve the Scheme further. The great majority of those schemes and opportunities which do

not currently meet the quality criteria will do so by the end of the year. Better methods to chart training performance and achievement are being developed. The YTS certificate is being improved with recognition for achievement in mind. Work is in hand to enable trainees to secure credit towards the award of CPVE. Quality standards are being raised.

International Comparisons and the Case for Change

18 Yet, for all these developments, much still remains to be done.

19 Of all the leading industrial countries it is only in Britain that the majority of 16 year olds seek to enter the labour market direct. In the United States the great majority of young people stay on in high school to get their high school diploma. In Japan, some 95% of all young people remain in full time education until the age of 19 or 20 at which point they enter into a systematic vocational training programme provided by the employer as they enter the world of work. In West Germany, some 60% of all young people leaving lower secondary school enter upon an "apprenticeship" largely paid for by employers and lasting on average 3 years. At the age of 18 or 19 they emerge as qualified workers with recognised qualifications.

20 In this country apprenticeship has traditionally provided the main source of occupational skill training -

certainly in manual occupations. In recent years, however, apprenticeships have failed to provide an adequate response to our emerging skill needs. In many instances rigidities have discouraged entry and linked skilled status to time-serving rather than competence. Partly as a result of this and partly as a result of recession, the number of apprentices recruited has dropped sharply so that only some 40,000 were recruited last year. And apprenticeship was never established in certain important sectors of employment.

21 The results of our lagging so far behind our competitors are very serious:

- a British employers have to recruit from a population which at age 18 and over includes a higher proportion of young people with no formal qualifications or with very limited vocational occupational or academic attainments;
- b young people in the United Kingdom are not as well prepared for the continuing education and training in adult life which must be an increasingly important feature of modern economies;

22 In short, unless we move ahead further the United Kingdom still has relatively little prospect of creating the highly skilled and innovative workforce required to meet the

employment needs of the existing and new technologies or capable of independent wealth creation through the development and application of new ideas, new technologies and new enterprise.

23 Three features stand out when we compare the situation in this country with that to be found in countries which are our keenest competitors:

- a it is clear that employers in all our major competitor countries are making a significantly larger contribution to vocational education and training than has been the case in the UK;
- b it is clear that in virtually all our competitor countries young people are treated as learners at least until the age of 18. This is reflected in their status (instead of a contract of employment there is often a contract of training), in the nature of their remuneration and in the level of that remuneration;
- c it is clear that the UK is currently spending a relatively large sum of public money in an attempt to deal with the symptoms of the problem rather than in tackling it at source.

The Government View

24 The Government believes that the time is now right to offer new opportunities for vocational education and training to young people up to the age of 18. The objective is clear: to produce by age 18 a very much larger flow than at present of qualified young workers capable of meeting the skill requirements of a modern economy either directly or after some further training. In particular, the Government believes it to be right that we should set ourselves the target that all young people should enter the labour market with a qualification relevant to employment, and that qualification could be either general or work-related.

25 To that end, the Government now proposes 3 significant and inter-related initiatives:

a development of initiatives already in hand within full time education.

b development of the YTS to provide a two year training scheme leading to recognised qualifications for 16 year old leavers;

c establishing a working group to review vocational qualifications in England and Wales;

Development of Existing Initiatives in Full-time Education

26 Many young people will of course remain in full-time education until the age of 18 (and beyond) to achieve the general, technical or vocational qualifications appropriate to their needs. Others will move from full-time education to the new Youth Training Scheme. It is therefore important that developments in full-time education should be compatible with the new Scheme and that the two should proceed on a complementary basis so that for example, credit can be given in the Scheme for qualifications received in full-time education.

27 For this reason, the Government is considering the wider application of the lessons of the Technical and Vocational Initiative. The existing pilot schemes are laying a foundation which we must build on. The Government's objective is that all young people in school should have the opportunity of following a more relevant and practical curriculum leading to the achievement of recognised standards of competence and qualification.

28 Meanwhile, there is an urgent need to increase the numbers of teachers equipped to disseminate the successful elements of the TVEI and thus reinforce the Government's broad objectives for the school curriculum. Accordingly the Government has decided that sums of £5 million in 1985/86 and £20 million in 1986/87 should be allocated to support TVEI related in-service training pending the introduction of the

new scheme of funding for in-service training described in "Better Schools". The interim scheme will be administered by the MSC who will report on its operation to Education and Employment Ministers.

Extension of the YTS

29 The Government has invited the MSC to carry out consultations with employers, trade unions, local authorities and others concerned and to report back to the Government by the end of June 1985 on the content, funding and administration of an expanded and developed YTS which would:

- 1 aim to produce better qualified young entrants to the labour market;
- 2 offer 2 year programmes to 16 year old school leavers and one year programmes to 17 year old leavers and would give increased opportunities for vocational training leading to recognised qualifications;
- 3 be primarily employment-based. Those young people who entered provision of the kind currently found in Mode B of the YTS would normally move to employment-based provision within 12 months;
- 4 begin on 1 April 1986. There would initially be a continuation of the existing YTS guarantee of an offer of at least a one year place to all unemployed 16 year

olds. The MSC has been asked to advise on the most practicable arrangements which could be made for providing a second year of training for as many as possible of those 16 year old leavers who will be entering the YTS in 1985/86.

5 aim to provide as many places as possible for other 16 and 17 year olds within the resources available with the target of guaranteeing in due course an offer of a 2 year place for all unemployed 16 year olds and a one year place for all unemployed 17 year olds.

30 The Government intends the new scheme to become and remain a permanent feature of vocational education and training provision in this country. The Government intends to abolish the Young Workers Scheme as from 1 April 1986 when the new scheme will be introduced so that resources to help the under 18s should be concentrated on encouraging employment linked to good quality training.

31 As the scheme expands, unemployment among young people under 18 should become a thing of the past. The need for support for young people by way of supplementary benefit will diminish. The question whether or not they should continue to have title to SB is not one that can be settled now but must wait until the scheme is fully underway.

32 Vocational education and training - particularly vocational education and training of young people - are not an overhead but an investment. Many employers already recognise that the skills of their employees and potential employees are their most valuable assets, requiring long-term and sustained investment in training and retraining, and take pride in providing and upgrading skills. The Government welcomes recent indications from the Confederation of British Industry that these attitudes are beginning to be more widely shared.

33 Accordingly, the Government expects employers to bear the major part of the additional costs of the new scheme. They have a great deal to gain from it: an assured supply of qualified young workers; a more versatile, more readily adaptable, more highly motivated and therefore more productive young workforce; better utilisation of skills and more cost-effective expenditure on training.

34 Nevertheless the Government accepts that employers should not expect to meet the whole of the additional costs of launching the new scheme. In order to establish the new scheme, the Government is prepared to make available additional resources of up to £125 million in 1986/87 and £300 million in 1987/88, subject to a satisfactory outcome of the consultations which MSC will be undertaking. Added to the present provision for the YTS this means that money

available to the scheme from the Exchequer will total £925 million in 1986/87 and £1100 million in 1987/88.

A Review of Vocational Qualifications

35 We have a comprehensive, complex system for the certification and assessment of vocational knowledge and skills. Broadly, there are three parts to the system:

- a the educational, validating and examining bodies, amongst which are the Business and Technician Education Council, the City and Guilds of London Institute, the Royal Society of Arts, the Scottish Technical Education Council and the Scottish Business Education Council (soon to be united into the Scottish Vocational Education Council) and the Regional Examining Bodies;
- b the professional examining bodies, including old established and chartered bodies and newer, non-chartered bodies;
- c other standard setting bodies and arrangements for certifying competence in vocational skills eg the Industry Training Boards, or statutory testing facilities as, for example, for HGV drivers.

36 There are many good features in present arrangements: credibility and acceptance by employers in a number of sectors; the stability of the system; a considerable

diversity of courses available. But there are also marked weaknesses which are becoming more serious as the pace of change increases and as the demand grows for the mobility of skills.

37 Notwithstanding the provision by some examining and certifying bodies of arrangements for testing knowledge and skills without prescription of time or learning methods, the system as it stands does not generally provide adequate opportunity for:

- a individual achievement certified by one body or part of the system to be recognised by other parties or parts of the system;
- b testing of skills and competence rather than certification of knowledge;
- c recognition of learning achieved outside formal education and training situations;
- d flexible patterns of attendance and learning;

38 In particular, present arrangements need to be improved to give greater recognition to the ability to apply knowledge and understanding, and to secure opportunities for progression. The present system - diverse and extensive as it is - is neither comprehensive nor coherent. It is well

regarded and well used but it is not well understood. It is market oriented but could be more responsive and flexible. A system in which existing arrangements are better integrated will help both young people and adults.

39 The Government is therefore now inviting the MSC to establish, with the Departments concerned, a working group to include representatives of employers, employees, examining bodies and local authorities to review the structure of vocational qualifications in England and Wales. Its terms of reference will be:

To recommend a structure of vocational qualifications which

- is relevant to the needs of people with a wide range of abilities
- is comprehensible to users
- is easy of access
- recognises competence and capability in the application of knowledge and skill
- provides opportunities for progression, including to higher education and professional qualifications

and to design a timetabled programme which has the support of employers, examining and validating bodies and others concerned.

The review will not extend to Scotland because the comprehensive reform of vocational qualifications described in paragraph 13)b) is already well advanced there.

40 The first task of the review will consider criteria for an effective system of qualifications and to use those criteria as a basis for assessing existing arrangements. This will need to be conducted from 3 points of view: that of the employer customer; that of the provider (particularly the college); and that of the student. Such an approach is intended to point up issues and in particular omissions and gaps.

41 The Group will be asked to complete its work within a year. It will also be asked to prepare an interim report for the Government by the end of September this year. The Government would wish to see that interim report including a statement which can be agreed with the major validating and standard setting bodies and endorsed by the Government, of objectives to be achieved in seeking major reforms of the examination and certification systems for vocational education and training.

A coherent approach to work-related education and training

42 These three new initiatives taken together, powerfully re-inforce the Government's commitment to the pursuit of the New Training Initiative objectives and, in particular, to the development of vocational education and training - an

approach which will help to put us on terms with our competitors overseas.

43 That approach has 8 major thrusts:

- a developing the information base: on supply of and demand for skills and knowledge, and on opportunities and access to them;
- b improving the educational foundations: to enable individuals to develop and demonstrate the personal skills, competence, knowledge and understanding needed for working life;
- c ensuring that further and higher education and professional institutions are geared to today's needs: to ensure the supply of technicians, technologists and the key professions and a system of qualifications which is accessible, allows for progression, can be understood by employers and allows credit for achievement, including experience;
- d developing adult education and training both full- and part-time: to ensure that individuals may have the opportunity to add to, extend or update skills and knowledge in response to technical change or change in labour markets;

- e encouraging responsiveness: so as to ensure that the interests of employers and other consumers are to the forefront of the concerns of the providers;

- f securing competence of teachers, further education lecturers, trainers and tutors who can stimulate and develop new approaches to learning: especially important here are the development of new methods and teaching approaches and the use of the new technologies;

- g providing advice and guidance: which must be accessible to individuals and employers alike.

44 The development of our vocational education and training policies on these lines offers great advantages to all concerned but will also require much of them.

45 Improving competence and professionalism are vital if employers are to compete more successfully and to win back markets that have been lost. But they require a new attitude to investment in training; a willingness to do more for more people; and a readiness to make the resources of the workplace available for learning and work experience, especially for young people.

46 These new approaches offer a better start in working life for all young people and greatly increased opportunities

for careers progress of adults. They also involve acceptance by all concerned that those undertaking the training may not be able to command the full wages paid to more experienced workers. Some traditional approaches and values will need to be modified or abandoned, new techniques adopted, and fuller use made of resources.

47 The Government is committed to a sustained effort to improve vocational education and training for young people over a considerable period. It believes it to be essential to economic success and to social well-being in this country. It is fully committed. It looks now for that full commitment from others too.

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From the Minister without Portfolio
The Rt Hon Lord Young of Graffham

The Rt Hon Tom King MP
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20 March 1985

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Comments
Monday
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Per Tom,

EDUCATION AND TRAINING FOR YOUNG PEOPLE

I attach a draft White Paper on Education and Training for 14 to 18 year olds. The draft draws together the decisions on a new two-year training scheme and in-service teacher training, announced in the Budget, and our proposal for a review of occupational qualifications. It puts these within the framework of existing policies on vocational education and training for this age group, with cross references to Keith Joseph's document "Better Schools" which is to be published on 26 March.

As you know, the draft reflects a considerable amount of work on the part of our officials and those of other interested Departments. I hope therefore that there will be no need for major amendments at this stage. I should however be glad to have any comments on the draft by lunchtime on Friday.

I am copying this letter and the draft, with a similar request for comments, to E(A) colleagues, to Norman Fowler and to Sir Robert Armstrong.

Per
Tom

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TWO YEAR YOUTH TRAINING SCHEME: LINES TO TAKE

Original fl billion budget underspent

The training the young people on the scheme are getting is the same as we planned it would be; no corners have been cut to save money. The only reason the scheme has cost less than fl billion per year is that less young people entered training than we had allowed for - partly because more found jobs than we had expected, a wholly welcome development.

fl.1 billion not enough for a two-year scheme

As the Chancellor made clear, the fl.1 billion in 1987/8 - a substantial outlay of taxpayers' money by anyone's standards - is simply the Government's contribution towards the cost of the new scheme. We are looking to employers to make a major contribution as well. (We can't say what the total cost will be - that depends on the details of the Manpower Services Commission's proposals for the scheme - but it will certainly be a lot more than fl.1 billion.)

What share of the cost will employers be paying? / what will the allowance be? / what kind of training will be provided?

We have asked the Manpower Services Commission to make detailed proposals on the funding of the new scheme, the level of allowances, the type of training to be provided and the qualifications it will lead to. Until they have had time to draw up their proposals, we cannot know the answer to these questions.

TWO YEAR YOUTH TRAINING SCHEME

Background

1. Gordon Brown MP (Lab, Dunfermline East) wants to find out the details of the extended Youth Training Scheme announced by the Chancellor on Tuesday. He seems to imply too little Government money is being put in, and that this will be 'cheap' training (see article attached).
2. When it was first launched, up to £1 billion was made available for the scheme, but since less young people than expected have needed places, the actual cost is £800 million per year. Now an extra £300 million will be available in 1987/8 for a two-year scheme. But this £1.1 billion is not the total cost - the Government is looking to employers for a major contribution.

Extract from "The Guardian", 21 March 1985.

Growth in YTS jobs 'funded on cheap'

By David Hearst

THE GOVERNMENT was accused yesterday of trying to fund a big expansion of the Youth Training Scheme on the cheap, using money previously budgeted, but not spent on the first and second years of the scheme.

Mr Tom King, the Employment Secretary was pressed for a detailed statement of how the Government would fund the addition of an estimated 135,000 YTS places by giving young people on this year's scheme a second year's training. Mr Gordon Brown, Labour MP for Dunfermline East, and a member of the Commons select committee on employment, said the government was proposing to spend little more than the money originally budgeted for the first year of the scheme.

In 1983-84 the Government planned to spend £1 billion on a scheme offering 450,000 training places. In practice, the Manpower Services Commission only managed to fill 370,000 places, at a cost of £800 million. This year it planned to fill 385,000 places at a cost of £827 million.

The Department of Employment said when the expansion was announced on Tuesday that the Government would provide an extra £125 million in 1986-7 and £300 million in 1987-88.

Mr Brown said: "Mr King is proposing to create a second year of training for the price of the original budget."

Mr Brown tabled a series of questions pressing Mr King on what share of the extra cost of the scheme employers will be expected to fund, how much the present training wage of £26.25 will be increased, and what element of training employers are expected to provide.



Gordon Brown

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8 March, 1985

YOUTH TRAINING SCHEME PROGRAMME AND GRANTS ANNOUNCED

Tom King, Secretary of State for Employment, announced today that he has approved the Manpower Services Commission's recommendations for the Youth Training Scheme programme in 1985/86 and for increases in the grants under the Scheme.

Mr King, replying to a Parliamentary question from Mr Robert Hayward, MP for Kingswood said:

"The Manpower Services Commission has submitted to me its recommendations for the scale and balance of provision for the Youth Training Scheme in 1985/86 and the level of the grants and allowances.

"I have approved the Commission's recommendation that the Youth Training Scheme in 1985/86 should be a programme of 379,000 places, comprising 297,000 Mode A, 68,000 Mode B1 and 14,000 Mode B2 places. This should provide sufficient places for all eligible young people who are likely to come forward.

"As regards grants to Mode A managing agents, I have approved the Commission's recommendations that the managing agent's fee should be increased from £100 to £110 per place from 1 April and that the contribution to training costs should be increased from £637.50 to £660 from 1 September. I have also approved the Commission's recommendations for increases in the Mode B grants in line with the Mode A increases.

"I have not yet made any decision on the level of the trainee allowance, which was increased to £26.25 per week in September 1984, but I have informed the Commission that any increase in the allowance will result in a corresponding increase in the Mode A block grant."

NOTES TO EDITORS

1 Mode A of the Youth Training Scheme provides financial support to employers and other organisations for training both employed and unemployed young people. Managing agents who offer complete programmes currently receive a block grant of £1,950 per trainee, together with an additional £100 per trainee (the managing agent's fee) to help cover the administrative costs of organising training programmes.

2 The Mode A block grant covers the cost of the allowances paid to the trainees and also includes a contribution to the cost of the training (eg college fees, supervisors wages).

3 Mode B covers schemes solely for unemployed youngsters. There are two distinct types:

Mode B1 comprises Training Workshops, Community Projects and Information Technology Centres (ITeCs). Funding is on a cost recovery basis subject to ceilings fixed on the basis of the number of approved places on the Scheme.

Mode B2 comprises linked schemes of work experience and integrated off-the-job training and further education.

4 There were over 364,000 entrants to the Scheme in the first ten months of 1984/85.