

PREM 19/1727

Proposal for a National Training Commission.

Proposals to establish training Colleges which will provide four-year courses.

Technical and Vocational Training Initiative (TVEI)

EDUCATION

PART 1: OCT. '82

PART 2: JAN. '84

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
5-1-84		23-4-86					
4-1-84		9-5-86					
16-1-84		30-5-86					
17-1-84		2-6-86					
20-1-84		5-6-86					
27-1-84		9-6-86					
31-1-84		11-6-86					
2-2-84		13-6-86					
8-2-84		16-6-86					
13-2-84		17-6-86					
28-2-84		20-6-86					
1-3-84		25-6-86					
13-3-84		26-6-86					
26-6-84		30-6-86					
5-7-84		ENDS					
17-7-84							
21-2-86							
28-2-86							
5-3-86							
10-3-86							
12-3-86							
17-3-86							
14-4-86							

PART 2 ends:-

SS/Emp to CST 30-6-86

PART 3 begins:-

DGS to EMPLOYMENT 1/7/86
Emp. to DGS 2-7-86

Published Papers

The following published paper(s) enclosed on this file have been removed and destroyed. Copies may be found elsewhere in The National Archives.

Cmnd. 9135 – Training for Jobs.

Presented to Parliament by the Secretary of State for Employment, the Secretary of State for Education and Science, the Secretary of State for Scotland and the Secretary of State for Wales by Command of Her Majesty, January 1984

Published by HMSO. ISBN 0 10 191350 8

Signed

Wayland

Date

23 October 2014

PREM Records Team

RESTRICTED

CEB



Caxton House Tothill Street London SW1H 9NF

Telephone Direct Line 01-213....6460.....
Switchboard 01-213 3000 GTN Code 213
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W BPN

The Rt Hon John MacGregor OBE MP
Chief Secretary to the Treasury
Treasury Chambers
Parliament Street
London SW1P 3AG

30th June 1986

John

WHITE PAPER ON VOCATIONAL EDUCATION AND TRAINING POLICIES

Thank you for your letter of 26 June. I confirm that I have included in the text of the White Paper now at the printers the revised wording officials have agreed on for paragraph 1.9 and 3.6. I also agree that we should avoid in our public statements giving any prominence to the £900m figure as being the total cost of the TVEI Extension Programme. I cannot of course guarantee that the figure will not be used by commentators because it is very readily derivable from the references to 10 years and the £90m annual average.

I noted that you would have preferred to delete the last sentence of paragraph 4.7 about not extending the YTS guarantee to 17 year old unemployed people. However this merely confirms the policy of the 1985 White Paper in very similar words and I am sure that to omit it now while extending the guarantee for 16 year olds would merely provoke questions from the cognoscenti at local level, not least in the education and career services and on area manpower boards. It seems better to have an unequivocal statement of our position on the record in the White Paper. I certainly don't expect that reference to add to the pressure to give a guarantee to 17 year olds, but if it did I would not use it as an argument to avoid taking measures on YTS to live within my baseline, if these prove to be necessary.

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Like you I am copying this letter to the Prime Minister, Willie Whitelaw, Norman Tebbit, Paul Channon, Malcolm Rifkind, Nick Edwards, Tom King, John Biffen, Kenneth Baker, John Wakeham and Bertie Denham.

Handwritten signature and initials
The signature is written in cursive and appears to be "C. L. 1" followed by a large flourish and the initials "J. B." or similar.

RESTRICTED



Caxton House Tothill Street London SW1H 9NF

Telephone Direct Line 01-213.....6460.....

Switchboard 01-213 3000

30 June 1986

Rob Smith Esq
Private Secretary to
The Rt Hon Kenneth Baker MP
Secretary of State for Education and Science
Elizabeth House
York Street
London SE1

Prime Minister 2
To see. The statement
on the curriculum mentioned in
paragraph 7 will also be put in
to you tonight if it arrives in
time. JHL 30/6.

Dear Rob,

**WHITE PAPER ON VOCATIONAL EDUCATION AND TRAINING POLICIES - ORAL
STATEMENT - 2 JULY**

I attach the draft of the Oral Statement which my Secretary of State and the Paymaster-General hope to make in the Lords and Commons respectively on 2 July. It closely follows the terms of the drafts discussed at official level so I hope it will be generally acceptable. If there are any comments could they please be phoned here by 5pm on Tuesday 1 July.

There is a possibility that Oscar de Ville will be able to confirm his acceptance of the NCVQ Chairmanship before Wednesday. (He is having to consult his directors formally now). If so, Lord Young would like to announce that also. Our officials will be in touch about that.

I am copying this letter to David Norgrove at No 10 and private secretaries to the Lord President, the Lord Privy Seal, the Chancellor of the Duchy, the Secretaries of State for Trade and Industry, Scotland, Wales and Northern Ireland, the Chief Secretary and the Chief Whip.

Yours sincerely,

Iain Mackinnon

Iain Mackinnon
Private Secretary

RESTRICTED TILL 2nd JULY

WHITE PAPER - DRAFT STATEMENT

1 I would like to make a statement about major Government decisions on vocational education and training announced in the White Paper published this afternoon. They are about the national extension of the Technical and Vocational Initiative and the reform of vocational qualifications.

2 TVEI was launched on a pilot basis by my Rt Hon Friend the Prime Minister in November 1982. In chosen schools the Government has through the MSC made additional funds available to local authorities to develop new ways of increasing the vocational content of the curriculum and offer pupils of all abilities between the ages of 14 and 18 more work related learning.

3 By the end of this year there are likely to be almost 100 education authorities in England, Wales and Scotland taking advantage of the Initiative; which will be covering over 600 schools and colleges and helping nearly 50,000 pupils.

4 As the pilots have developed so too has appreciation of the way in which TVEI has been able to enrich the curriculum. It has opened up new opportunities for more young people of all abilities to see how school can be made more relevant to adult and working life.

5 We want to keep up the momentum to extend the benefit to many more pupils. We have decided that the MSC should be asked to administer the extension of TVEI from a pilot to a national scheme beginning in the Autumn of 1987.

6 The Government is making a substantial financial commitment to this improvement in our schools. We are setting aside sums which build up from £12 million in 1987-88 to £41 million in 1988-89 and to £84 million in 1989-90. The average annual expenditure over the next 10 years or so will be about £90 million. These amounts will be found from the provision we

had planned for young people within the MSC's budget.

7 So that TVEI proposals are consistent with our overall policy of improving the school curriculum, my Rt Hon Friend the Secretary of State for Education and Science is publishing separately today a statement of the curricular criteria which extension proposals must meet.

8 The extension of the Technical and Vocational Education Initiative on a national basis is a major advance. But reforming and developing the curriculum in schools is not enough. We also need to improve the vocational qualifications system to encourage more people, young and old, to improve their skills when they have left school. For that reason we are also announcing a new framework for vocational qualifications in England and Wales.

9 Last year we set up a Working Group under the Chairmanship of Mr H G de Ville to review the pattern of vocational qualifications in England and Wales. The Group's report is published in May.

10 Concluding that the present system was complex and incomplete the Review Group recommended that a new system of qualifications should be set up within a framework to be called the National Vocational Qualification. It urged that a National Council for Vocational Qualifications should also be established to work with the existing bodies to set up that framework. The Government accepts these recommendations.

11 The NCVQ will negotiate with existing bodies to accredit those of their qualifications which meet standards set by the Council for assessing competence and skill as well as knowledge and understanding. The individual qualifications will retain the identity of the issuing body but will have enhanced status because of national accreditation.

12 The Council will be set up in the autumn of this year and will be asked to have the NVQ framework in England and Wales and Northern Ireland in place by 1991. The Government will appoint the Council. We will provide pump-priming funding but the aim will be that after three years the Council will become self-sufficient, from income received from bodies whose

qualifications it accredits.

13 The recommendations of the report have been given a generally warm reception and we believe that they will lead to a framework of vocational qualifications, which will be widely understood and respected by individuals and by employers. As a result we hope that this will lead people to invest more time and money in training.

14 For young people moving from school to adult working life it is vitally important that we have a good system of vocational education and training policies. All young people must be given the opportunity to leave full time education or training with relevant qualifications and build on them throughout their working life. The extension of the Technical Vocational Education Initiative and the setting up of the new framework of National Vocational Qualifications are major advances which will strongly reinforce our existing policies.

15 Today's announcement is good news for our young people and good news for society as a whole. For we will all profit from a better skilled and qualified workforce equipped to respond to the changing demands of a rapidly changing world.

DEPARTMENT OF EMPLOYMENT

30 June 1986



SECRETARY OF STATE
FOR
NORTHERN IRELAND

Lord Young of Graffham
Secretary of State for
Employment
Caxton House
Tothill Street
LONDON
SW1 9NF

NORTHERN IRELAND OFFICE
WHITEHALL
LONDON SW1A 2AZ

CCBG
NIBEN

30 June 1986

Dear Secretary of State,

DRAFT WHITE PAPER ON VOCATIONAL EDUCATION AND TRAINING
"PULLING TOGETHER - EDUCATION AND TRAINING"

Thank you for the copy of your letter of 16 June to Kenneth Baker.

The draft White Paper covers very important ground, and I support its general tenor and content. Although only the provision relating to the Review of Vocational Qualifications apply directly to Northern Ireland, its aims and objectives are equally relevant here and there are existing initiatives comparable to TVEI and the development of YTS, on which, subject to the identification of the necessary resources, we can build. I am content with the section on Northern Ireland which the draft White Paper on Vocational Education and Training contains.

You were kind enough to invite me or one of my colleagues to join you on the platform on Wednesday 2 July when you publicly present the White Paper. I imagine the attention will concentrate on the extension of TVEI and on the decision to establish the NCVQ. The former does not apply here and I do not imagine there will be great call for anyone to say anything distinctive about Northern Ireland in relation to the NCVQ. In the circumstances I do not think we need add to your platform party. I will however be giving further thought to a local press launch later where I can go into some detail about the proposed action so far as Northern Ireland is concerned. In the meantime I attach some very short lines to take on the Northern Ireland aspects of the Paper.

/...

/ I am copying this to the Prime Minister, the Lord President, the Chancellor of the Duchy, the Chancellor of the Exchequer, the Secretary of State for Trade and Industry, the Secretary of State for Scotland, the Secretary of State for Wales, the Secretary of State for Education and Science, the Lord Privy Seal, the Chief Secretary to the Treasury, the Chief Whip, and the Chief Whip of the House of Lords and to Sir Robert Armstrong.

Yours Sincerely
Edward
(Private Secretary)

TK

(approved by the Secretary of
of State and signed in his
absence in Northern Ireland).

JLD

E.R.

EDUCATION AND TRAINING WHITE PAPER - PRESS CONFERENCE 2 JULY

Speaking Notes for the Education and Training White Paper - Press Conference 2 July:

Review of Vocational Qualifications

Northern Ireland has always been linked with the Vocational Qualifications system in Great Britain. This will continue, and I welcome the decision of the Secretary of State for Northern Ireland to participate fully in the work of the National Council for Vocational Qualifications.

TVEI

As you know, the remit of the MSC does not extend to Northern Ireland and while TVEI is a specifically GB initiative, I understand Northern Ireland is developing a number of its own initiatives in full-time education which meet the aims of TVEI developments here.

Youth Training Scheme

Since it was launched in 1982 the Northern Ireland Youth Training Programme has offered 2 years of training to minimum age school leavers. Through its own separate and distinctive arrangements the Programme provides a solid foundation for further development in terms of scope and effectiveness, and it would be developed to maximise the employer contributions to youth training in Northern Ireland.

EDUCATION

TUES

PT 2



cc BG



DEPARTMENT OF EDUCATION AND SCIENCE
ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH
TELEPHONE 01-934 9000

FROM THE SECRETARY OF STATE

The Rt Hon Lord Young of Graffham
Secretary of State for Employment
Caxton House
Tothill Street
LONDON
SW1 9NF

Prime Minister 4

ABFO. vogue
All very
mt

The attachment sets out what the 26 June 1986

See brief

DES regards as its objectives. 26/6

WHITE PAPER ON VOCATIONAL EDUCATION AND TRAINING POLICIES: WORKING TOGETHER: EDUCATION AND TRAINING

Thank you for your letter of 24 June covering a draft of this White Paper.

2. I understand that officials have been able to reach agreement on final drafting amendments and that there are no outstanding points between us.
3. We are already in touch about arrangements for the announcement and supporting activities on 2 July. I look forward to seeing drafts of the statement and related Press material because of the need to try to avoid adverse reactions from education interests particularly to the arrangements for the accountability of the new National Council for Vocational Qualifications.
4. I am sending copies of this letter to the Prime Minister, the Lord President, the Chancellor of the Duchy of Lancaster, the Chancellor of the Exchequer, the Secretaries of State for Trade and Industry, Scotland, Wales and Northern Ireland, the Lord Privy Seal, the Chief Secretary, the Chief Whip and the Captain of the Gentleman at Arms.

Letter - copy of our draft objectives.

[Handwritten signature]

[Handwritten signature]

DRAFT

DEPARTMENT OF EDUCATION AND SCIENCE

The principal aim of the Department of Education and Science is to improve standards throughout the education service and to increase the value obtained for the substantial resources allocated to it by the taxpayer and the ratepayer.

2. In schools, the Department aims

- to promote agreement on the curriculum and ensure that it is broad and balanced for all pupils;
- to foster the application of what is learnt to real problems and situations;
- to stretch pupils of all abilities;
- to give parents more responsibility; and
- to enhance the powers of governing bodies of schools.

3. In non-advanced further education, the Department aims

- to increase the responsiveness of the service to the needs of employers;

*very
vague.*

- to provide a sound education for young people and adults;
- to secure an improved use of resources - and in particular a significant tightening of student: staff ratios.

4. In higher education the Department aims

- to raise quality and standards while preserving the full breadth of educational provision;
- to make the system more responsive to the needs of the economy;
- to improve management systems in universities; and
- generally to increase value for money by rationalisation.

5. The Department is also responsible for

- adult and continuing education. The principal aim is to up-date the national workforce at all levels.
- the civil science base financed by the University Grants Committee and the Research Councils.

The principal aims are to promote excellence by greater concentration and selectivity of research activities and to stimulate commercial applications of new ideas.

- teachers - the need is to secure the supply of teachers of sufficient quality to teach the agreed curricula and to update the skills of the existing teacher force.

6. Throughout the education system - at all levels - the output of citizens competent in mathematics, science and technology must be increased. The DES - in co-operation with the other Government Departments concerned - is developing a range of policies to that end.

Education

TVET PTZ



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10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

26 June 1986

Dear John,

**TECHNICAL AND VOCATIONAL EDUCATION INITIATIVE
AND PES '86**

The Prime Minister was grateful for your Secretary of State's minute of 24 June.

The Prime Minister was glad that Lord Young has reached an agreement with the Chief Secretary which allows an early announcement of the extension of TVEI.

I am copying this to the Private Secretaries to members of E(A), Jill Rutter (Chief Secretary's office), Rob Smith (Department of Education and Science) and Michael Stark (Cabinet Office).

Yours,

David

(David Norgrove)

John Turner, Esq.,
Department of Employment.

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CCBG

NBM.

Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Lord Young of Graffham
 Secretary of State for Employment
 Department of Employment
 Caxton House
 Tothill Street
 London
 SW1

26 June 1986

Dee David,

**WHITE PAPER ON VOCATIONAL EDUCATION
 AND TRAINING POLICIES**

I was grateful to see a further draft of the White Paper. I am pleased that our officials have agreed a limited number of changes to the text. This letter records two remaining concerns.

First I consider it very important that the figures for the TVEI extension are presented in terms of annual expenditure rather than an aggregate figure of £900 million. I am sure that you will understand the presentational point - press headlines of an extra £1 billion on public expenditure (the fact that it is over 10 years would probably get lost!) would not help at all at the present time. Therefore I am pleased that our officials have been able to agree that there be no reference to a £900 million figure in the White Paper. I am content with the following revised wording of paragraph 3.6 which your officials have accepted:

"The Government is making a substantial financial commitment in this development. It is setting aside sums which build up from £12 million in 1987-88, £41 million in 1988-89 and £84 million in 1989-90. The average annual expenditure over the 10 years or so will be about £90 million a year. These amounts will be found from within the MSC's planned provisions for young people."

Your statement will need to be phrased in similar terms. I hope you will let me have early sight of how you propose to handle the public expenditure point since it is crucial that the announcement is not misinterpreted.

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Second, you are reluctant to drop the last sentence of paragraph 4.7 which refers to a guarantee of a YTS place for unemployed 17 year olds. I recognise that reference was made to this in the same terms as a long-term target in the April 1985 White Paper but I see no advantage in drawing attention to it again. There is no pressure for any re-affirmation of the target. You have agreed to make substantial savings in YTS expenditure but without decisions as yet as to how most of the savings are to be made. Our officials had identified restricting the number of 17 year old entrants to YTS as a possible, if unattractive, means of making savings. Highlighting a target for 17 year olds may limit our room for manoeuvre later on and therefore I would much prefer the last sentence of paragraph 4.7 to be deleted.

Third, I am glad that we are in agreement about the importance of full evaluation of the natural extension of TVEI and the setting of quantifiable objectives for the NCVQ. I understand that you are reluctant to put more in the White Paper about specific aims for and measures of success for TVEI and NCVQ, and we do not have time now to discuss this further. However I do consider it essential for reasons we both share that we emphasise the importance we attach to evaluation and ask that the sentence at the start of paragraph 1.10 be extended to read:

"There will be major advances which will be fully evaluated to ensure that value for money is being obtained."

I hope that you will agree.

I am copying this letter to the Prime Minister, Willie Whitelaw, Norman Tebbit, Paul Channon, Malcolm Rifkind, Nick Edwards, Tom King, John Biffen, Kenneth Baker, John Wakeham and Bertie Denham.

Yours etc,

JH

JOHN MacGREGOR



CONFIDENTIAL

He DA
CCBG ✓10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

25 June 1986

Dear John,

CHAIRMANSHIP OF THE NATIONAL COUNCIL FOR
VOCATIONAL QUALIFICATIONS

The Prime Minister has seen your Secretary of State's minute of 24 June and, subject to the views of colleagues, is content that Mr. H.G. de Ville should be offered the Chairmanship of the National Council for Vocational Qualifications and that this can be announced on publication of the White Paper.

I am copying this letter to Rob Smith (Department of Education and Science), Michael Gilbertson (Department of Trade and Industry), Colin Williams (Welsh Office), Jim Daniell (Northern Ireland Office), Andrew Lansley (Chancellor of the Duchy of Lancaster's Office), Jill Rutter (Chief Secretary's Office), David Morris (Lord Privy Seal's Office), Murdo Maclean (Chief Whip's Office), Paul Thomas (Management and Personnel Office) and Michael Stark (Cabinet Office).

John
DavidJohn Turner, Esq.,
Department of Employment.

(DAVID NORRGROVE)

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PRIME MINISTER

Excellent
not

*Prime Minister &
Agree to be glad that
Lord King has reached
agreement and that TVEI
to be extended?*

TECHNICAL AND VOCATIONAL EDUCATION INITIATIVE AND PES '86

*DER
26/6.*

attached

1. I am glad to say that the Chief Secretary and I have now reached agreement on my proposals for the extension of TVEI as set out in E(A)(86)26 and it will not be necessary to trouble you or EA colleagues further.

2. The basis of our agreement is that I have accepted the Chief Secretary's condition that the costs of the national extension of TVEI and of some smaller claims will be accommodated within my existing PES baseline. I will therefore no longer make any bid for any net increase to the baseline in this year's PES discussions, and will take any steps necessary so that expenditure does not exceed PES provision in any year. I have also accepted the Chief Secretary's point that the possibility cannot be excluded that all agreements with colleagues may need to be reopened if at the end of the day the overall public expenditure sums do not add up.

3. For his part, the Chief Secretary has agreed to the proposals for TVEI in E(A)(86)26 - and in particular that the extension will be funded at the equivalent of £30,000 per school and will begin with effect from September 1987. I will make it clear in the vocational education and training White Paper to be published, I hope, on 2 July that the cost of the extension to Government will be funded from within the existing MSC planned resources for young people but will not at this stage make public our intention to freeze payments to YTS managing agents in 1987-88.

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4. I am pleased we have managed to reach agreement as outlined above as I see the national extension of TVEI as being a major step forward in vocational education and training provision for young people.

5. I am sending a copy of this minute to the Chief Secretary and our EA colleagues, to the Secretary of State for Education and Science, and to Sir Robert Armstrong.

A handwritten signature in dark ink, appearing to be 'D Y', is centered on the page.

D Y
24 June 1986

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CF?
C B/G

PRIME MINISTER

Yes in

Prime Minister
Agree this appointment
subject to colleagues?
JHS
24/6

CHAIRMANSHIP OF THE NATIONAL COUNCIL FOR VOCATIONAL QUALIFICATIONS

COPY ATTACHED

1. When we met this morning you approved the proposals in my minute of 9 June for the establishment of a National Council for Vocational Qualifications to be announced in the forthcoming White Paper on Vocational Education and Training.

The purpose of this minute is to seek your approval to the appointment of Mr H G de Ville as Chairman of the Council, which I would like to announce on publication of the White Paper, which we hope will be next week.

2. I explained the role of the Council in my minute of 9 June. It must succeed - and must do so by persuasion rather than legislation. The success of the Council will therefore be critically influenced by the tone set by the first Chairman. Oscar de Ville chaired the Review Group on Vocational Qualifications very well. He delivered an unanimous report despite the many diverse and competing interests represented on the Review Group and the fundamental and far reaching nature of the recommendations. Kenneth Baker and I are satisfied that he would be the ideal first Chairman. We know too that he is keen to take the task and finish the job he began with the Review Group. He would begin as Chairman designate as soon as possible, prior to formal constitution in the Autumn.

3. I attach a CV which shows his wide experience. It has just been announced that he is to take over as Chairman of the Meyer International Group later this year but I understand he could commit himself for about one and a half days a week to

APPOINTMENTS IN CONFIDENCE



the NCVQ. Officials are in discussion with the Treasury about salary but we envisage that £10,000 a year would be about right. The initial appointment would be for 3 years.

4. I would be grateful for your approval for me now formally to approach Oscar about the Chairmanship in the hope that I could announce it at the same time as the White Paper.

5. I am copying this minute to the Secretaries of State for Education and Science, Trade and Industry, Wales and Northern Ireland and to the Chancellor of the Duchy, the Chief Secretary, the Lord Privy Seal, the Chief Whip, Richard Luce, and Sir Robert Armstrong.

A handwritten signature in dark ink, appearing to be "ref" or similar, written in a cursive style.

DY

24th June 1986

APPOINTMENTS IN CONFIDENCE

NAME: H G (OSCAR) DE VILLE CBE

DATE OF BIRTH: 11 April 1925

HOME ADDRESS: Bexton Cottage
18 Pound Lane
Sonning on Thames
BERKSHIRE

Tel. No.: 0734.693253

RECENT MAIN PRIVATE APPOINTMENTS

Executive Deputy Chairman BICC PLC August 1980 - April 1985 (Retired 1985)
Deputy Chairman (Executive) Meyer International PLC since November 1985

PREVIOUS APPOINTMENTS

Central Personnel Manager, Ford Motors Ltd, Dagenham 1949-1965
(10 years in charge of training)
General Manager, Central Personnel Relations, BICC 1965-1970;

PUBLIC APPOINTMENTS

Chairman, CBI Working Party on Worker Directors' 1976
Chairman, CBI Working Party on Pay Bargaining 1977
Member, CBI Council 1977 - to date
Member, Institute of Manpower Studies (Council Member)
Member, Council of the Industrial Society, 1977 to date
Member, British Institute of Management Council

OFFICIAL APPOINTMENTS

Member, The Council Advisory, Conciliation and Arbitration Service
September 1976 to date
Chairman, Iron and Steel EDC
Chairman, Review of Vocational Qualification April 1985 - May 1986

SUBJECT
cc master

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10 DOWNING STREET

From the Private Secretary

24 June 1986

Dear Mr Turner

PROPOSED NATIONAL COUNCIL FOR VOCATIONAL QUALIFICATIONS

The Prime Minister has discussed with your Secretary of State today his minute of 9 June which set out the arrangements for a Council to oversee Vocational Qualifications.

The Prime Minister expressed reservations about the proposal, in terms of its scale and the new bureaucracy it will create. She was however prepared to agree to it, noting that the Government's contribution to the Council's costs will continue only during the setting up period and its initial three years. She believes it will be important in any further development of the Council that the individual character of major examining bodies like the City and Guilds or the Royal Society of Arts should not be lost.

I am sending a copy of this letter to Joan MacNaughton (Lord President's Office), Rob Smith (Department of Education and Science), Robert Gordon (Scottish Office), Neil Ward (Northern Ireland Office), Colin Williams (Welsh Office), John Mogg (Department of Trade and Industry), Jill Rutter (Chief Secretary's Office), Andrew Lansley (Office of the Chancellor of the Duchy of Lancaster), Paul Thomas (Office of Arts and Libraries) and to Michael Stark.

Yours sincerely
Amanda Ross

PP (DAVID NORNGROVE)

John Turner, Esq.,
Department of Employment.

CONFIDENTIAL

slw



Caxton House Tothill Street London SW1 9NF

Telephone Direct Line 01-213.....6460.....

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The Rt Hon Kenneth Baker MP
 Secretary of State
 Department of Education and Science
 Elizabeth House
 York Road
 LONDON SE1

NBR
 24th June 1986

Kenneth Baker

**WHITE PAPER ON VOCATIONAL EDUCATION AND TRAINING POLICIES:
 WORKING TOGETHER: EDUCATION AND TRAINING**

... I attach the latest draft of the White Paper which reflects our agreement to shorten the text and also takes account of helpful comments received from your officials and others. We also incorporate Malcolm Rifkind's suggested amendment. I am minuting colleagues separately today to confirm that I have reached an agreement with the Chief Secretary on TVEI and related issues, and I am now planning for publication on 2nd July.

I personally have made a number of minor adjustments to the text and have decided that "Working Together" is a more appropriate theme and title than "Pulling Together". I hope you agree. I have also reinstated the reference in 1.5 to TVEI being "one of the most significant broadenings of the curriculum this century". I know your officials were uneasy about this but I am sure it is true, and ought to be said.

I have had some difficulty with some of John MacGregor's suggestions in his letter of 20 June. He raised a number of specific points:-

- (i) He wanted me to drop the words in what is now the last line of para 1.11 on the grounds that they might be hostages to fortune. I do not think that they commit us either to expenditure or to future announcements and I wish to retain the whole sentence, which seems to me to emphasise that our policies for continuing and adult training and education are not static, and the philosophy in Part 1 applies to them also.
- (ii) I agree however with his suggestion that we should make it clear in the White Paper that the costs of the TVEI extension will be found from MSC planned resources for young people and 3.6 has been adjusted accordingly.



- (iii) He also wanted me to drop what is now the last sentence of para 4.7 about it remaining our target to extend the guarantee later to unemployed 17 year old leavers. This confirms what we have already said in para 29e of the April 1985 White paper (Education and Training for Young People) and we need to refer specifically to that to make it clear that the proposed extension of the guarantee to 2 years for unemployed 16 year olds earlier in the paragraph is all that is being changed. To do otherwise would be misleading, and my judgement is that it would not draw attention away from the positive change affecting 16 year olds.
- (iv) He also wanted me to drop the last couple of lines of para 4.9 on the grounds that a statement that we intended fully to honour our commitment to YTS's success somehow inhibited our room for manoeuvre. I'm afraid I don't agree that this would have such an effect, and I propose to keep the sentence.
- (v) Finally he suggested that the White Paper might say more about specific aims and measures of success for TVEI and the NCVQ. I am very much in sympathy with that objective and we will be working very closely with you and our colleagues to set up evaluation machinery for the TVEI extension, as we have with the pilots, and to set quantifiable objectives for the NCVQ. But I think it is premature in the White Paper to commit ourselves to anything specific.

Now that we have resolved the outstanding policy issues John MacGregor is keen that we publish as soon as practicable. I hope to publish the White paper with oral statements in both Houses on Wednesday 2 July, if convenient to the business managers. Our Private Offices are in touch about the Press announcements. We will go to press on this draft now but will be able to pick up minor amendments to put right at the proof stage until lunch time on Thursday 26th June. I will circulate a draft statement before the end of the week.

RESTRICTED



I am copying this letter and the draft White Paper to the Prime Minister, the Lord President, the Chancellor of the Duchy, the Chancellor of the Exchequer, the Secretary of State for Trade and Industry, the Secretary of State for Scotland, the Secretary of State for Wales, the Secretary of State for Northern Ireland, the Lord Privy Seal, the Chief Secretary, the Chief Whip and the Captain of the Gentlemen at Arms.

Yes
David

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DRAFT WHITE PAPER

WORKING TOGETHER - EDUCATION AND TRAINING

Presented to Parliament by the Secretary of State for Employment and the Secretary of State for Education and Science, supported by the Secretary of State for Scotland, the Secretary of State for Wales, the Secretary of State for Northern Ireland and the Secretary of State for Trade and Industry.

Department of Employment

24 June 1986

The prime aim of the Department of Employment is to encourage the development of an enterprise economy. The way to reduce unemployment is through more businesses, more self-employment and greater wealth-creation, all leading to more jobs.

The key aspects of the Department's work are to:

- 1 Promote enterprise and job creation in growth areas such as small firms, self-employment and tourism.
- 2 Help business to grow and jobs multiply by cutting "red tape"; improving industrial relations by ensuring a fair balance under the law and encouraging employee involvement.
- 3 Improve training arrangements so that young people get a better preparation for work, and adults obtain the skills they need to compete in the world.
- 4 Help the young and those out of work for some time find work, training or opportunities likely to lead to a job.

In addition to the nationwide network of High Street Jobcentres, there are over 30 training, employment and business help schemes. Among them are schemes for people employed, unemployed, skilled, unskilled, young or old.

The Department's many other activities include:

- helping unemployed people by the prompt payment of the benefit and allowances to which they are entitled
- helping protect the employment of individuals, including those disadvantaged on grounds of race, sex or disability
- helping maintain and improve health and safety at work.

The Department of Employment Group also comprises the Manpower Services Commission, the Health and Safety Executive and the Advisory Conciliation and Arbitration Service.

WORKING TOGETHER - EDUCATION AND TRAINING

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RESTRICTED

WORKING TOGETHER - EDUCATION AND TRAINING

Part 1 - Introduction

1.1 We live in a world of determined, educated, trained and strongly motivated competitors. The competition they offer has taken more and more of our markets - both overseas and here at home.

1.2 For the nation and all who work in its businesses - both large and small - survival and success will depend on their designing, making and selling goods and services that the customer wants at the time he wants and at a price he is prepared to pay; innovating to improve quality and efficiency; and maintaining an edge over all competition. This will be not just for today or tomorrow but for the foreseeable future.

1.3 The same machines and equipment are available to all. Success will go to those (be they firms, communities or nations) whose people can use them to the best advantage. And that requires individual initiative, innovation and competence across the whole spectrum of skill and aptitudes. People - with their knowledge, learning, skills, intelligence, innovation and competence - are our most important asset and resource.

1.4 There must be a climate in which people can be motivated, and in which their potential and their creative capacity can be harnessed. Motivation is all important, so that attitudes change and people acquire the desire to learn, the habit of learning, and the skills that learning brings. The climate must be one in which learning is rewarded and is seen to lead to progress for individuals and companies. All must recognise that it is in their interest to invest more time, effort, and money in training than they do now.

1.5 The main effort to achieve these changes must come from individuals and employers. But the Government too has a vital role. That is why it has committed itself to work with others to achieve radical modernisation of our vocational education and training system. Since 1981 great strides have been made eg - in launching and developing YTS, which, beginning in 1983, has so far provided more than 1 million young people

with good quality foundation training on leaving school; in the reform of the school curriculum and examinations; the Technical and Vocational Education Initiative under which, by September this year, almost 100 education authorities in England, Wales and Scotland will have embarked on one of the most significant broadening of the school curriculum this century, bringing new opportunities to thousands of pupils in hundreds of schools; the beginning of a new partnership between the Manpower Services Commission and the local education authorities of England and Wales to develop work-related non advanced further education so as better to meet the needs of a changing labour market and do so more effectively; the 16+ Action Plan in Scotland; the development of an Adult Training Strategy, to make people more aware of the vital necessity of continuing to learn throughout working life and to make it much easier for them to do so; in the Open Tech and PICKUP programmes which have greatly increased mid-career vocational education and training and placed this country amongst the leaders in open and flexible learning (including distance learning); and finally in the modernisation of traditional vocational education and training patterns, such as apprentice training.

1.6 But much more needs to be done. Comparisons with where we were a few years ago are irrelevant, as are comparisons with what other British companies and organisations are doing. The comparison which counts is that with our overseas competitors and that is to our disadvantage as is shown by the joint Manpower Services Commission/National Economic Development Office Study "Competence and Competition". The CBI, the TUC and the Government have agreed in the National Economic Development Council that employers in general need (and can now afford) a much greater commitment to training.

1.7 Our competitors in other countries know it - they invest heavily in training. They are pulling away from us and we must overtake them. That needs a sustained effort - from all of us. Our vocational education and training system is not - and never was - the envy of the world. But we must make it so.

1.8 This White Paper show how education and training policies, especially for young people, are being developed in a complementary and

coherent way and announces:-

- a national extension of the Technical and Vocational Education Initiative beginning in September 1987, which will over time become available in all schools in Great Britain for young people of 14 -18 (see Part 3) and relates it to the continuing development of good quality vocational education and training in schools, non-advanced further education and YTS, for all up to age of 18 at least. (see Parts 2 and 4)
- the creation of a new framework of National Vocational Qualifications in England, Wales and Northern Ireland, to be developed and supervised by a new National Council of Vocational Qualifications (Part 5). This will allow people to demonstrate clearly what they can do as well as what they know; and they will be able to progress with ease to learning and acquiring more skills without going back over ground already covered.

1.10 These will be major advances. But reform and modernisation of our vocational education and training system require commitment and leadership not only from Government, but from others too - including both suppliers and users of training. The objectives must be to ensure:-

- that opportunities and choices in vocational education and training are greater and of better quality at all levels than they have been in the past
- responsiveness to labour market needs and encouragement for the supply of appropriate skills
- that employers, students and trainees decide, through their role as customers in a well-developed market, what, when, where and how best they can learn
- access to vocational education and training starts in the

schools, continuing throughout a working life

- that competence and achievement are recognised and rewarded by employers and that unnecessary barriers to progression or to access to education and training are removed
- a structure of recognised qualifications which are based on competence and match the needs of modern employment
- good quality, reliable, and highly professional suppliers of vocational education and training who can profit from the maintenance of quality and from meeting customer needs
- value for money (whether that money is the employer's, the individual's the taxpayer's or the ratepayers) is clearly demonstrated
- a system which employers and employees understand, respect, and use to the full with a major increase in their investment in training.

1.11 This White Paper concentrates on the application of these objectives to vocational education and training for young people, although the proposed reform of the vocational qualification system will also have considerable benefits for older people. The objectives are equally relevant to continuing and adult training and education and the Government will keep them very much in mind in further developing its policies in these areas.

1.12 As a country, we have much to gain from achieving these objectives. A start has been made. Early progress has been good. But we must maintain this progress to achieve a coherent vocational education and training system which serves the interests of all - wherever they live, irrespective of income, sex or race. The Government is pulling together its education and training policies. If we work together, they will succeed.

PART 2

DEVELOPMENTS IN FULL-TIME EDUCATION

The under 16s

2.1 Children go to school so that they can develop their talents, become responsible citizens and be prepared for work - for others or on their own account. The schools - and, for some, the colleges and universities - have the task of laying the foundations for effective learning and training throughout life.

2.2 The Government's education policies aim to give to every pupil and student a capability which makes them versatile and sufficiently adaptable for the technological challenges of employment. The Government's policy (set out in the White Paper "Better Schools" (Cmnd 9469) in April last year) is that up to age 16 all pupils should be acquiring a broad competence in communication, science and technology, design, foreign languages, and other ^{subjects} necessary in a successful modern society.

2.3 A broad competence is not just a matter of knowledge, skills and understanding, it is also about doing. Positive attitudes to life and work are vital. On leaving school or college young people ought to have the right motivation and be eager to learn, to show initiative and enterprise, to work hard and to achieve. Motivation is as essential in preparing for work as it is at work. Government policy for schools now emphasises practical learning: pupils of all abilities need to be taught to apply what they learn to what has to be done outside the classroom and in the real world of work.

2.4 The job of the schools is to stretch every pupil. That is possible only if teaching takes account of differences in ability and aptitude. A central aim of present curriculum reform is to motivate pupils by adjusting the challenge so that no one is bored because the work is too easy and no one disheartened because it is too hard.

2.5 All the partners in the education system - the education authorities, the voluntary bodies and the teachers, as well as parents and employers - want to make a reality of these reforms. The standards achieved by comparable schools with comparable resources vary widely. It is realistic to aim to make every school as good as the best comparable one.

2.6 The reform of the school curriculum will be reinforced by a reform of the examinations normally taken at around age 16. The General Certificate of Secondary Education (GCSE), for which courses start this autumn in England and Wales, will be fairer, more stimulating and more challenging. It will test competence in practical skills as well as in knowing the subject. It will give candidates more opportunity to show what they know, understand and can do and will reward them only if they show it. Employers will have a better idea of what a successful candidate knows and can do. Candidates will be more stretched before they can get good grades. Standards of achievement will be raised. The introduction of the Standard Grade in Scotland is intended to achieve the same effect.

2.7 Better schools require better teaching. Together with its education partners the Government is improving the selection of entrants to the profession, and the quality of courses; and is promoting better professional up-dating and development through the in-service training of serving teachers. Its policies are designed to raise teaching quality and teacher motivation through better management of the teacher force, with higher rewards for those whose professional effectiveness contributes most to standards in our schools.

2.8 For young people, their 16th year should be seen as a point on a continuing road rather than the end of a journey. Beyond 16, learning goals become more specific and study and training more specialised. Post-16 learning should build smoothly and constructively on what was learnt before. In the last two years of the compulsory period, the programme of all pupils should begin to have, for example through work experience, something of the flavour of what they will experience after 16. The special contribution which the Technical and

Vocational Education Initiative is making to this bridging process, and the Government's plans for its extension, are described in Part 3.

Coherence in vocational education and training

2.9 The reform of the school curriculum, the introduction of the GCSE and the expansion and development of the TVEI will increase the confidence, motivation and achievements of young people at the end of the compulsory period of education. The aim is to secure a change of attitude towards learning, and the achievement it makes possible, as well as an improvement in the standards of competence, so that more young people see the value of entering the labour market with the best qualifications they are able to achieve.

2.10 All such qualifications will need to be practical and relevant to employment. The introduction of 2 year YTS will provide new training opportunities for many who would otherwise have received none and will offer an appropriate alternative route to qualifications. It is manifestly not desirable for young people to leave school or college and take jobs in which there are no opportunities for further education and training.

2.11 In order to increase the value to 16-19 year olds of full-time education and training it is necessary to improve the effectiveness and efficiency of what is provided. A number of curriculum reforms are already in train, with a view to creating a sound framework of courses and qualifications:

- The curriculum of A level students in England and Wales will be broadened through the introduction of the AS level courses in 1987 which will offer the possibility of new combinations of contrasting or complementary subjects.
- The introduction of the Certificate of Pre-Vocational Education (CPVE) in England and Wales will provide a basic vocational year for those not aiming at A level studies but who wish to keep their options open before committing

themselves to training for a particular occupation. It is already being offered, successfully, in full-time education and could also become an important route within YTS.

- The new framework of National Vocational Qualifications, described in Part 5 below, will indicate achievement in a balanced programme of education and training, covering the three essential elements of preparation for competence in any field of employment: skills; knowledge and understanding; and practical application.

2.12 Decisions at 16+ should not be irrevocable: bridges and ladders between the various routes to employment and to further and higher education will need to be built. Both the extension of TVEI and 2 year YTS should result in many more young people achieving vocational qualifications, and the same or similar qualifications may often be obtained through both these and other routes. The Government's objective, which it hopes is shared by all, is for people to progress to the limit of their creativity and potential. For this to happen, relevant credits secured through one route must be capable of being used to progress in another. This objective is best pursued jointly by the National Council for Vocational Qualifications and the Secondary Examinations Council. Their work in this important area will be carried out in consultation with the MSC and others concerned.

Developments in Scotland

2.13 The same broad objectives are being secured in Scotland by:

- The progressive introduction of Standard Grade, for the time being in parallel with Ordinary Grade. Standard Grade will offer a wide range of relevant and broadening experiences for pupils of all abilities, based on the curriculum principles developed following the Munn Report

- The revision of Higher Grade and Certificate of Sixth Year Studies courses to provide a satisfactory progression from Standard Grade and to promote the acquisition of the skills and understanding appropriate at that level. Scottish Higher students have traditionally followed a broad curriculum and will continue to do so.

- The 16+ Action Plan has led to the rapid development and success of the SCOTVEC National Certificate, has provided a framework for flexible and coherent provision for the age group and has introduced an innovative approach to the provision of non-advanced further education in the form of modular courses. The National Certificate also offers a valuable means of certification for pupils aged 14-16 who are participating in TVEI. In addition it has made available new opportunities for adults with re-training needs.

2.14 The Action Plan has been developed in close consultation with industry and commerce and it has extended and strengthened the links between industry, schools and further education in a way which will ensure that young people are better prepared for working life. Close cooperation between the Scottish Examination Board and SCOTVEC has been encouraged by the Government, *which* is concerned that the two certificate systems should effectively complement one another.

Better planning

2.15 The newly emerging pattern of courses and qualifications provides a framework within which education authorities can plan the deployment of resources to give the best possible service to young people in their area and to prospective employers in the local community and beyond. Effective planning will have the following characteristics. It will be undertaken by the local education authority in consultation with the governing bodies of institutions. It will take account of the views and experience of teaching staff and of employers. It will seek to ensure that prospective customers for post-16 courses (both students

and employers) are fully informed about what is on offer and about the bridges and ladders between different routes to qualifications, and that young people and their parents receive clear and impartial advice so that they can make a wise initial choice. Some education authorities are already making good progress towards realising these objectives and the Government has taken the steps set out in paras 2.16 to 2.21 below to ensure that they are universally adopted and achieved.

2.16 As a first step, local education authorities in England and Wales agreed in 1985 to prepare and submit to the MSC development plans and annual programmes for work-related non-advanced further education. All authorities have prepared their first plan, and early indications are that this annual exercise will considerably strengthen the effective planning and management of NAFE. It will be subject to regular review by the Government and the local authority associations, the first of which will take place this summer. The tests of success will include evidence of increased responsiveness to the local labour market, improvements in the collection of information and the use of management tools such as performance measurement, evidence of a more reliable flow of labour market information to colleges through the intervention of the MSC and a more systematic approach to marketing.

2.17 The Secretary of State for Education and Science (has recently issued/intends shortly to issue) draft guidance to local education authorities on the planning and organisation of provision for pupils and students up to the age of 19. ^{Then} ~~The~~ call^s (will call) attention to the need to improve standards and make schools and colleges more cost-effective (the Secretary of State for Wales intends to publish similar guidance in Wales). The 16-19 year old population will fall by one-third during the next decade. This sharp and substantial reduction in the size of the client group for full-time education and training, and the overlap between the type of course which can be taken in schools and in further education, make it necessary for each education authority to review their provision as a whole.

Value for money

2.18 The Government and education authorities recognise the importance of securing the best value for the money in post-16 education and training. The Department of Education and Science:

- has recently completed a joint study with the local authority associations of the scope for removing surplus school places (a comparable study is nearing completion in Wales)

- is conducting a joint study with the local authority associations of the scope for greater efficiency in non-advanced further education, with a view to agreeing national targets for the staff student ratio and to promoting better management by education authorities using agreed performance indicators.

Careers education and guidance

2.19 It is essential that young people receive timely and effective information and guidance if they are to make a successful transition into further education, training or employment. This is particularly true when new initiatives (such as those described in this White Paper) are unfamiliar to them and their parents. At each stage in their transition they should have access to guidance on the choices available to them, on how these relate to their developing abilities and personalities, and the relationship of all these factors to the world of work.

2.20 Education authorities in England, Scotland and Wales provide this help through various channels, including the Careers Service and careers teachers in schools and colleges. While the contribution of each professional group is important in its own right, it is also important to ensure that their efforts are organised to maximum effect. For that reason the Government believes every authority should formulate a policy for educational and vocational guidance and

careers education within its area, as some already do. The policy should set out the roles and responsibilities of each professional group and the ways in which they work together to ensure that policies are put into practice.

2.21 It would not be appropriate for central government to specify a common pattern. Nonetheless, central government has a duty to persuade authorities to establish and maintain a policy and make available advice on good practice. The Secretaries of State for Employment, Education and Science, and Wales therefore intend to consult educational interests, employers and others about the publication of guidance. A similar process has begun in Scotland with the publication by the Consultative Committee on the Curriculum of "More Than Feelings of Concern" embodying wide-ranging advice which has been circulated to the Scottish education authorities.

PART 3

THE EXTENSION OF THE TECHNICAL AND VOCATIONAL EDUCATION INITIATIVE (TVEI)

The pilots

3.1 Vocational education and training after the age of 16 must build smoothly and constructively on what has been learned before. The quality and effectiveness of this bridging process is being raised by TVEI. The main purpose of the Initiative has been to test methods of organising and managing the education of 14-18 year olds across the ability range to improve the provision of technical and vocational education in a way which will widen and enrich the curriculum and prepare young people for adult and working life. The Initiative, which is administered by the MSC in close association with the Education Departments, has re-inforced moves towards the development of a broader and more relevant curriculum and closer collaboration between education and industry. It has also complemented a variety of projects sponsored by the Education Departments and the Department of Trade and Industry, including British Schools Technology, School Curriculum Industry Partnership, Micros in Schools, Mini-Enterprise in Schools and the Microelectronics Education Support Unit.

3.2 The Initiative has operated on a pilot basis. Fourteen projects were launched in September 1983; a further 48 in September 1984; and a further 12 in September 1985. There are now 74 projects in 73 authorities. If all the proposals originally submitted by education authorities for a further round of projects in 1986 are accepted, there will eventually be 103 projects in 98 education authorities.

3.3 The positive response from the large number of authorities concerned reflects the wide support the Initiative has received. It has released the energies, potential and commitment of many institutions, teachers and young people themselves. The pilot projects are providing invaluable experience in identifying the most effective ways in which the education of 14-18 year olds can be made

more relevant to the demands of employment and adult life.

3.4 As a result of the TVEI pilots, the curriculum is being broadened; new opportunities, choices and possibilities are being opened up for young people; and teachers involved are responding enthusiastically, while the new programmes and courses are proving popular with students. The Initiative is being developed in a way which is fully consistent with the Government's policies for the school curriculum both in England and Wales and in Scotland; and the Education Departments are closely involved with the MSC in the approval process.

The national extension

3.5 It is essential to keep up the momentum. The Government has therefore decided to extend the TVEI pilots into a national scheme. The objective will be to give young people aged 14-18 in all maintained schools and colleges access to a wider and richer curriculum based on the lessons emerging from the pilot TVEI projects.

3.6 The Government is setting aside £900 million over 10 years or so for the purpose of this development. This will be found from within the planned resources available to the MSC for young people.

3.7 The upper limit of what each individual education authority will be able to receive from the MSC will be related to the size of the student population in the 14-18 age group in that authority. These funds will supplement what education authorities are already committing, or planning to commit, to the development of the curriculum. No specific additional contribution from education authorities will be required but it will be open to them, for example, to refocus existing resources in support of these developments, to make more cost-effective use of existing resources, and to seek support from local industry and commerce.

3.8 The extension will begin in the autumn term 1987. Its introduction will be phased over a period of years to allow education authorities the opportunity to undertake the necessary detailed planning. As at the pilot stage, each development programme will be managed by the education authority concerned. Proposals from authorities will normally be considered for support once they have been operating TVEI pilot projects for at least 3 years and the proposals will be expected to cover a five year period. There will be provision for an education authority to phase the entry of its institutions into its development programme. The MSC will administer the extension, working closely with the Education Departments and HM Inspectorate. In Scotland, the arrangements will take into account the need to ensure full harmony with Standard Grade and Action Plan developments.

3.9 It is the Government's wish that every education authority should take part in this significant new development and, in order to secure this, the 18 authorities not yet involved in TVEI will be invited to participate, initially on the basis of a contribution from Government of up to £1 million to cover a preparatory stage of 3 years, to be followed by full involvement.

3.10 Both the Government and the MSC have always made it plain to authorities that TVEI proposals must be of satisfactory quality. This positive requirement will remain. Support will not be given otherwise. Each year, the progress of each authority's extension programme will be the subject of a joint review between that authority and the MSC. The MSC will need to be satisfied that the programme is being delivered effectively and in accordance with its contract with the authority concerned.

3.11 In the extension of TVEI, it will be important to ensure a sufficient supply of qualified and competent teachers in certain subjects, notably mathematics, physics, technology and business studies. The present shortage of teachers in these subjects (and particularly in mathematics, physics and technology) is discussed in a separate paper being issued by the Department of Education and Science. That paper

outlines initiatives being taken by the Government as well as measures which others are being invited to consider.

3.12 TVEI has already highlighted the need for subject-specific training in areas where there is already pressure on the supply of suitably qualified teachers; and the need for general training in such areas as the management and implementation of the necessary range of teaching, learning, assessment and guidance techniques. The Government has taken steps to increase relevant training through the scheme of TVEI-related in-service training (TRIST), for which £20 million has been provided in 1986-87.

3.13 The present TRIST scheme will be replaced in 1987 (subject to enabling legislation) by the new scheme of grants to local authorities in England and Wales described in "Better Schools" for more extensive systematic in-service training. This scheme will ensure that the resources available for in-service training are spent on a systematic programme of training designed to meet needs of the greatest national and local priority, including the extension of TVEI. The arrangements in Scotland will also reflect the higher priority for in-service training which TVEI will command.

3.14 The first objective must be to make the best possible use of existing teaching resources and to support teachers with the best possible learning materials as well as with intensive in-service training. Existing education authority resources vary widely. Many authorities will need to strengthen their support services, particularly in areas of applied science and technology where specialist knowledge and equipment is not readily available. The MSC plans to encourage education authorities to collaborate in establishing a limited number of regional groups which will provide authorities, and schools and colleges within them, with joint support activities for TVEI projects. The MSC hope that 10 such regional groups will be established by spring 1987.

3.15 In addition, in submitting proposals for a TVEI extension project, the MSC will be encouraging education authorities to enhance the provision for technology in all participating schools,

building on, wherever possible, the support provided by the British Schools Technology programme and the Science and Technology Regional Organisation network (the services of both of which are already available to the large majority of education authorities) and, in Scotland, the support also available from the Consultative Committee on the Curriculum and the Scottish Council for Educational Technology.

3.16 It will be important to ensure that curriculum developments stemming from the TVEI extension are consistent with policy on the curriculum generally. The Government is therefore drawing up a statement of curricular criteria based on the relevant passages of "Better Schools" and for Scotland of the Munn Report and the 16+ Action Plan. It will reflect the aim of the extension of TVEI to promote, within overall programmes of suitable breadth and balance, relevance and the practical application of knowledge, skills and understanding. It will be published, and sent to authorities when extension proposals are invited.

3.17 The Government is making a substantial financial commitment to the national extension of TVEI. The extension will build on the progress made by the pilots. It will strengthen the partnership between the MSC, the Education Departments and education authorities. And it is a significant step towards the Government's objective, which is shared by the education partners, that all young people in schools should have the opportunity of following a more relevant and practical curriculum leading to the achievement of recognised standards of competence and qualifications.

PART 4

DEVELOPMENTS IN YOUTH TRAINING: THE 2 YEAR YTS

4.1 Full-time education and training is a well-established route to vocational qualifications. It will continue to play a prominent part in the new framework of National Vocational Qualifications (see Part 5). The reforms and innovations in the school curriculum (including the national extension of TVEI), the examinations system and the planning, management and marketing of post-16 provision will widen choice, making learning in school and college more relevant to the needs of the modern world and, in particular, the needs of employers. They will engage and motivate young people. They will tackle head on the criticism that the school curriculum has been too academic and too little concerned with practical applications of knowledge.

4.2 But many young people will continue to leave school or college at age 16 or 17. For them there is now another broad route to qualifications - the 2 year YTS. The Government has already announced that this programme of high quality training for skills will be a permanent feature of the vocational education and training system.

4.3 The 2 year YTS has now been launched by the MSC. The Government will be contributing well over £1 million a year towards the cost of the programme once it becomes fully established. Valuable support towards its cost is being provided by the European Social Fund. In 1986-87 there will be nearly 460,000 training places available for young people who have left school or college. This is the highest number ever - and it spans a broader spectrum of employment than ever before. Much of what the programme is providing is new to important sectors of employment. Sector training organisations and individual providers are being given every encouragement and assistance to design schemes of training which meet the highest standards and to secure them.

4.4 The main objective is to provide a foundation of broad-based vocational education and training and planned work

experience which will give every young person taking part the opportunity to obtain a vocational qualification relating to competence in the workplace or to obtain a credit towards such a qualification.

4.5 High standards are being set from the outset. The quality of training provided in 2 year YTS is being secured by a number of developments including:

- The requirement that from 1 April 1988 no organisation will be able to continue to provide training for YTS unless it has secured the status of an Approved Training Organisation by satisfying a number of conditions, whose purpose is to ensure high calibre and competent training throughout the programme, including previous satisfactory experience, adequate resources, systematic arrangements for assessment, the means of keeping its training programme under review and positive commitments to equal opportunities and health and safety.
- The creation of new Training Standards Advisory Service, which will monitor performance, sample training programmes to ensure that quality is being sustained, assist in spreading information and best practice, and advise on the award of Approved Training Organisation status. It will work closely with HM Inspectorate, and its independence and ability to report as it finds will be protected.
- The establishment of the YTS Certification Board, whose nature and work is described in Part 5.
- The broader assessment which will be secured by the issue of a personal record of achievement for each young trainee in addition to vocational qualifications obtained.
- Development work, currently in hand, to establish a work-based variant of the Certificate of Pre-Vocational Education. A limited but successful pilot programme has

already been mounted and more extensive trials will take place during the next year.

- The development by the MSC, in consultation with the sectors concerned, of illustrative schemes of 2 year training programmes in a number of sectors of industry and commerce.

- The introduction of a training agreement for every young person in training providing information on the nature and objectives of the training programme and the terms and conditions which apply.

4.6 These developments set quite new standards for the provision of training in this country. They are intended to achieve a quality in the training opportunities available to young school leavers which is the equal of anything found in our competitors overseas.

4.7 The 2 year YTS is designed for 16 and 17 year old school and college leavers, whether they are employed or unemployed. 16 year old leavers are eligible for 2 years' training and 17 year old leavers for one year's training. There are special arrangements concerning eligibility and duration of training for disabled young people and some other special groups. YTS already carries an undertaking by the Government that all 16 year old school leavers who remain unemployed will be offered a suitable place by Christmas of the year they left school, and this undertaking has been substantially met in each of the first 3 years of YTS, as a result of the efforts of training providers, the MSC and the Careers Service. When announcing the 2 year programme last year, the Government said that the new programme would begin with a continuation of the existing guarantee of a one year place to all unemployed 16 year old leavers. The Government has now reviewed the position and, after taking into account the positive response of employers and other providers (already all the places needed for 2 year YTS this year have been offered to the MSC), has decided to extend its guarantee by undertaking that all 16 year old school leavers who remain without a job after leaving school will be offered a suitable 2 year place by Christmas of the year they leave school. This will begin this

year. It remains the Government's target to extend further its guarantee later to cover the provision of a one year place for all unemployed 17 year old leavers.

4.8 High quality vocational education and training is therefore now becoming widely available to school and college leavers under 18. The systematic, work-related training which was available in the past only to a minority of young people (mainly men) through apprenticeships will in future be available more widely. And the old approach of training to perform only an immediate and limited job will be replaced by training for in-depth competence suited to whatever sector or occupational group the young trainee may enter.

4.9 The Government has been impressed by the commitment of all concerned to make 2 year YTS a success. Introducing the programme has not been without difficulty for some providers and the Government recognises, in particular, the problems of transition. But success and achievement lie within our grasp and the Government intends fully to honour its commitment to the programme's success.

PART 5

REFORMING THE STRUCTURE OF VOCATIONAL QUALIFICATIONS

5.1 Qualifications and high standards are not luxuries - they are necessities, central to securing a competent and adaptable workforce. Economic performance and individual job satisfaction both depend on maintaining and improving standards of performance. This applies from the board room to the shop floor; and at the hotel reception desk as much as in the workshop and it applies as much to adult training and retraining as to young people starting off. But standards need to be defined and achievement of them recognised in a way which is widely understood. That is the role of the vocational qualifications system - which must test and record not just knowledge and understanding but also skills and competence in applying such knowledge. And it must do so in a way which encourages individuals to build on qualifications and to fulfil their potential and stimulates employers to give full recognition for qualifications earned, and therefore standards achieved. That is why the Government regards the reform of the present heterogeneous pattern of vocational qualifications in England and Wales as being vital, and why it has decided to act immediately to implement the main recommendations of the Review of Vocational Qualifications.

The Review of Vocational Qualifications

5.2 A year ago, the Government established a Review of Vocational Qualifications in England and Wales under the chairmanship of Mr H G De Ville, CBE. The Group included representatives of employers, employees, examining and validating bodies, other training and education interests and some of the professions. The Group's terms of reference were:

- to recommend a structure of vocational qualifications in England and Wales 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 progression to higher education and professional qualifications
- . allows for the certification of education, training and work experience within an integrated programme

5.3 The Review Group has now reported* unanimously after extensive consultation in England and Wales. From these consultations and the work of the Group five major priorities emerged:

- more better qualified people are needed
- action must be taken to reduce the confusion of the present qualifications system
- we need to bridge the unhelpful divide between the so called "academic" and the so called "vocational" qualification
- vocational qualifications need to relate more directly and clearly to competence required (and acquired) in work
- we should try to build on what is good in present practice.

*Review of Vocational Qualifications in England and Wales, a report by the Working Group - Published by HMSO May 1986.

5.4 The report recognised important strengths which should be preserved and built on but also highlighted major weaknesses. It also drew attention to the low take up of vocational qualifications. The 1984 Labour Force Survey showed that more than 40% of the workforce at all levels had no recognised qualification in the range from Certificate of Secondary Education (CSE) and O level to HND and degree level.

5.5 In its interim and final reports, the Group suggested that the objectives for an improved system of vocational qualifications should be to develop a clear, coherent, comprehensive and cost effective pattern based on the assessment of competence directly relevant to the needs of employment and the needs of the individual

5.6 In its final report the Group recommended that

- vocational qualifications in England and Wales should be brought within a new national framework to be called the National Vocational Qualification (NVQ)

- a new National Council for Vocational Qualifications (NCVQ) should be set up to secure changes necessary, to develop the NVQ framework and to ensure standards of competence are set.

5.7 The Government accepts these recommendations and urgent action is now in hand to implement them for England and Wales, and for Northern Ireland which the Secretary of State for Northern Ireland has now decided should be embraced by the Council's responsibilities. The Review Group's remit did not apply to Scotland and for the time being the framework and the Council will not apply there because of the significant progress which had already been made there on the comprehensive reform of vocational qualifications under the 16+ Action Plan. The Government recognises however, the need to secure mutual recognition of equivalent vocational qualifications obtained under the different certification and assessment arrangements which would apply in Scotland and the rest of the United Kingdom, and there will be close working relationships between the NCVQ and

Scottish interests. The Secretary of State for Scotland will consider in two or three years time whether there should be any formal change in the relationship between the NCVQ and Scotland.

The new national framework

5.8 The Government accepts the recommendation that the new national framework should be called the National Vocational Qualification (NVQ) and that this framework should be designed to incorporate and embrace existing vocational qualifications up to and including higher levels of professional qualifications.

5.9 The Review Group suggested that the first four levels of the NVQ should be based on the following descriptions of standards of achievement:

Level I

Occupational competence in performing a range of tasks under supervision

Level II

Occupational competence in performing a wider, more demanding range of tasks with limited supervision

Level III

Occupational competence required for satisfactory responsible performance in a defined occupation or range of jobs

Level IV

Competence to design and specify defined tasks, products and processes and to accept responsibility for the work of others.

5.10 The report recognises that the concept of levels across the whole span of vocational qualifications will be complex and difficult to work out in practice, and that these definitions may need refining, but the Government accepts them as a basis for further consultation and action.

Professional qualifications

5.11 There are some 250 professional bodies which examine and award qualifications at varying levels. The Government therefore believes that the National Council should be entitled to expect the full cooperation and commitment of professional bodies in fitting all appropriate qualifications (ie those below degree level) and part qualifications into levels I-IV of the National Vocational Qualification framework by the time it is established in 1991. The Government will ask the National Council to open early discussions with the professional bodies to achieve that.

5.12 It will also be necessary to reflect the fact that in some professions qualifications are required at degree level and above. The Review Group acknowledged that it had not had time to consider or make precise recommendations about the structure beyond Level IV but thought that it might include one or more levels, which would embrace the higher levels of professional qualifications. The Government is aware that there has been some initial anxiety about the extension of the framework above Level IV and the way in which the Council's activities might relate to the responsibilities of statutory and chartered bodies concerned with entry to professions at degree level or above. In the Government's view it is essential that the National Vocational Qualification levels should be progressive and should provide a ladder which will enable suitable individuals to proceed to, and progress in, professional qualifications of all kinds. This will clearly take time and the Government will invite the new National Council to consult the appropriate professional and other bodies on how higher levels of professional qualifications can best be articulated with the proposed NVQ framework, and to report back to the Government on its proposals for levels above Level IV in the light of the consultations.

Timetable for levels I-IV

5.13 The first priority must be to put in place levels I-IV to cover the range of achievement up to and including Higher National awards and equivalents, including appropriate awards of professional bodies. The Review Group believed that urgent action is necessary, and recommended that the aim should be to have the new framework fully operational for levels I-IV by 1991. The Government fully endorses this aim. It is essential

that rapid progress is made if we are to make our arrangements for work-related learning as effective as those of our overseas competitors. The Government hopes that the design criteria will be agreed by the Council and the first accreditations (see 5.17 below) completed, by the summer of 1987.

The National Council for Vocational Qualifications

5.14 There are so many interests involved in rationalising the present structure that we need an engine of change independent of existing interests. The Government has therefore accepted the recommendation to establish a new National Council for Vocational Qualifications (NCVQ).

5.15 The Government is setting the National Council nine specific tasks. They are to

- (1) identify and bring about the changes necessary to achieve the specification and implementation of standards of occupational competence to meet the needs of the full range of employment, including the needs of the self-employed
- (2) design, monitor and adapt as necessary the new NVQ framework;
- (3) secure the implementation of that framework by accrediting the provision of approved certifying bodies
- (4) secure comprehensive provision of vocational qualifications by the certifying bodies
- (5) secure arrangements for quality assurance
- (6) maintain effective liaison with those bodies having responsibilities for qualifications which give entry to, and progression within and from, the system of vocational qualifications into higher education and the higher levels of professional

qualifications

- (7) collect, analyse and make available information on vocational qualifications and secure the operation of an effective, comprehensive and dependable data base
- (8) undertake or arrange to be undertaken research and development where necessary to discharge these functions,
- (9) promote the interests of vocational education and training and, in particular, of vocational qualifications and to disseminate good practice.

Relationship of NCVQ with existing examining and validating bodies

5.16 The National Council will not itself be an examining or a validating body. It will, however, develop policy for the vocational qualifications system as a whole, negotiate to achieve the stated objectives from the system and accredit qualifications of bodies offering awards within the national framework. It will work very closely with standard setting and certifying bodies - and they will need to work with the National Council. Qualifications approved for the NVQ will receive the endorsement of the National Council.

Accreditation of qualifications for the NVQ

5.17 Thus existing bodies will continue to issue their own qualifications and if they meet NVQ standards they will be endorsed by the Council confirming that they are deemed to be qualifications meeting its requirements including giving proper recognition to skills and competence as well as knowledge and understanding, and taking account of experience and competence in the workplace. The NCVQ will assign the qualification to the appropriate level. Accreditation will be for a maximum of 5 years, and it is likely that as the system gets under way initial accreditation may be for little more than a year or two, to allow for changes in emphasis as the NVQ framework develops.

Chairmanship and membership of the Council

5.18 The Chairman and members of the National Council will be appointed initially for a 3 year period, with the possibility of re-appointment for further terms. The Chairman will not be someone directly involved in the certification of vocational education and training. The members of the Council will be appointed on a personal basis, in the light of their knowledge of the needs of employers and employees and of vocational education and training practice. They will include employers, trade unionists, providers of education and training and those with direct experience of the work of the major certifying bodies. They will be appointed by the Secretary of State for Employment, after consultation with the other Secretaries of State concerned.

Ministerial arrangements

5.19 There will be a continuing Government concern with the influence of the Council's work upon education, training and employment

policy and there will be an initial Government contribution to its funding. The Council will be sponsored jointly by the Secretaries of State for Employment, for Education and Science, for Northern Ireland and for Wales. The Secretary of State for Employment will have the lead responsibility for appointments to the Council for day to day financial and administrative matters and for issues spanning the functions of all the Secretaries of State involved, with whom he will work in close consultation. The Council will also maintain close links with the Education Departments of England and Wales and Northern Ireland and the Ministers concerned will deal direct with it on matters within their responsibilities. The Minister of State at the Department of Education and Science will, on behalf of the Secretary of State, have prime Government responsibility for ensuring that the Council is fully briefed on education policy issues. He will in particular be concerned with the implications of the Council's work for the examining and validating bodies such as the Business and Technician Education Council, the City and Guilds of London Institute and the Royal Society of Arts, and those professional bodies which promote courses and award qualifications. The Council and the MSC will also work closely together. The Secretary of State for Scotland will keep in close touch with the work of the Council (see para 5.7 above) and the Council will maintain close liaison with Scottish vocational education and training interests.

Administrative and financial arrangements

5.20 The NCVQ will be appointed by the autumn. It will be set up under the Companies Acts as a company limited by guarantee. The Review Group estimated that it would have a basic annual budget in the initial years of some £3 million. It suggested that there should be initial Government pump priming funding for up to 5 years, but increasingly the Council would be funded by charges levied for its services, principally on those bodies whose qualifications were accredited for incorporation in the NVQ framework. The Government accepts this broad approach subject to detailed approval of staffing and funding proposals and to the NCVQ aiming to become self sufficient for normal running costs by the beginning of 1990-91, in which year the full NVQ framework on levels I to IV should be becoming operational. The Government's contribution to the Council's costs will be made by annual grant in aid from the Secretary of State for Employment. To reflect their shared responsibilities the other sponsoring

Secretaries of State (see para 5.19) will contribute from their votes towards the grant in aid.

Standard setting

5.21 Arrangements for standard setting and assessment also need improvement. The first task must be to develop dependable arrangements for specifying standards of competence across all occupations. And the second must be to ensure that vocational qualifications incorporate those standards. Major changes in present arrangements are needed to achieve these tasks.

5.22 The Government will look to the NCVQ working closely with the MSC and industry interests concerned, and in association with education interests, to establish a clear focus for national action to secure the specification of standards of competence by effective and appropriate industry bodies. Comprehensive coverage of industry and commerce and of every occupational grouping must be the objective.

5.23 Machinery to do this is not yet well developed across all sectors of employment. The Government will expect statutory and non-statutory industry training organisations to draw up a timetabled plan of action to secure that in each sector or industry for which they are responsible:

- procedures exist by which the sector's skill requirements and training needs can be securely defined and periodically reviewed
- arrangements are made for setting and maintenance of standards, and for progression between standards
- arrangements exist for assessing and crediting learning achievements
- relevant vocational education and training provision is kept up to date

5.25 Action to achieve this needs to begin now. The Government is therefore asking the MSC to take the lead in stimulating industry training organisations to draw up their individual action plans, and is asking the Commission to report back on progress to the Government and to the Council not later than April 1987.

5.26 The Government will expect the NCVQ also to ensure that qualifications are more informative and especially that they indicate the competence of the individual. It is therefore essential to ensure a workable and effective system for credit recognition and transfer and for practical assessments of competence. A priority for the NCVQ will be to develop and securing a system to enable people to gain credit for performance in skills and competence tests carried out in industry.

Skills testing

5.27 Skills testing is only one aspect of the assurance of competence, but it is an important one, for which existing opportunities in some sectors are limited. Developing skills testing need not necessarily mean more bricks and mortar or more institutions; a network could involve existing work places, the Skillcentres, colleges of further education, group training organisations and Industry Training Board or industrial training organisation centres. The Review Group recommended that access to skills testing facilities should be more readily available than at present, and that the NCVQ should prepare proposals for, and secure the implementation of, a substantial extension of skills testing facilities. The Government is in principle sympathetic to the case for an extension which it believes should be self financing, reflecting the willingness of the market to pay for skills testing services. It will therefore invite the NCVQ to consult widely and report back to the Government on how self financing skills testing may be extended consistent with the Council's plan for the development of the NVQ framework.

Links between NVQ and YTS

5.28 Linkages and progression will be prime concerns for the new National Council. Most immediately, there must be a clear and close

Linkage and integration of the many qualifications and credits which can be obtained under the under 2 year YTS.

5.29 Following the interim report of the Review of Vocational Qualifications, the MSC established a YTS Certification Board for Great Britain which includes employers and training providers from the City and Guilds of London Institute, the Business and Technician Education Council, the Royal Society of Arts and the Scottish Vocational Education Council. This Board's primary purpose is to secure recognition of qualifications obtained through YTS for progression within and from YTS.

5.30 In the light of the decision to establish the Council, the MSC will need to review the future of the Board with NCVQ and the Scottish interests. There is a strong case for subsuming the Board within the Council but, it is unclear for how long a separate focus for YTS will remain desirable. It is clear, however, that from the outset assessments within YTS should come within the NVQ and the counterpart National Certificate in Scotland.

Links between NCVQ and the Secondary Examinations Council

5.31 A second important linkage for the NCVQ will be with the Secondary Examinations Council in England and Wales. It will be essential to establish linkages and progression between the new framework and the new GCSE and A levels - an issue which may increasingly arise with YTS as well as within full time education. The new NVQ framework should also take account of the CPVE development. Appropriate combinations of CPVE preparatory modules might equate with, or contribute to, level I of the NVQ and could constitute an important route to attainment at that level, in full or part-time education or within YTS.

Progression to higher education and the professions

5.32 It is important that, as the vocational education and training system is developed, appropriate recognition should be given to vocational qualifications for entry to, and progression within, higher education and higher level professional qualifications. Unnecessary barriers to entry should be removed. Routes of progression and the standards of achievement in professional qualifications should be clearly stated. And the learning

needs of adults should be recognised and met. The Government therefore believes that, from the outset, there should be recognition of the National Vocational Qualification at appropriate levels in entry procedures and regulations for degree courses and for entry to professions. (see paras 5.11 and 5.12).

Timetable

5.33 The National Council will have important responsibilities. If it is to make the necessary swift progress of the kind it must have a clear timetable.

5.34 The National Council will be appointed and operational by the autumn of 1986. It should seek to agree and promulgate design criteria for the National Vocational Qualification early in 1987. It should complete its first accreditations not later than the summer of that year. The Government looks to the National Council to have the first four levels of the new framework fully in place by 1991.

Voluntary cooperation

5.35 The Government hopes that the unanimity of the report of the Review of Vocational Qualifications and the wide range of interests represented on it means that it will be possible for the National Council to secure its objectives by voluntary means with the cooperation of established interests. But the Government will not hesitate to act should it appear that legislation is necessary to make the new NVQ framework effective.

Data base

5.36 There is a need for a national data base of existing vocational qualifications to assist the National Council in its task of designing, monitoring and adapting the new framework and to help users understand that system. And access to that data base needs to be as widely available as possible. The aim should be to establish the data base by the end of 1987.

Marketing

5.37 Finally, the National Council needs to tell all - individuals, employers, providers alike - what it is doing and why. The Government

therefore expects the National Council to undertake at an appropriate time a promotional campaign to generate awareness and understanding of the NVQ and the benefits to individuals, employers and country alike of increasing vocational education, training and competence leading to qualifications within the NVQ.

Conclusion

5.38 The National Council and the NVQ are about improving qualifications and therefore standards: standards of performance, of reliability and of quality. It is these which will make the critical difference to the design of British products and services, their delivery, after sales service and maintenance, customer relations and marketing and, not least, management. In the past we have paid too little attention to standards and our expectations have been too low. We need to raise minimum standards all round and pursue and expect success and demonstrated achievement.

5.39 The National Vocational Qualification framework will help everyone. Employers will know what individuals can do. Trainees will have something for which to strive. We shall cut out time spent going back over ground already traversed in earlier training. We shall open up training routes which were not open before. Above all we shall come to value quality and excellence, take pride in improving qualifications and realise that the process of learning should be life long and that there are ladders of training opportunity open to everyone throughout a working life.

PART 6

DEVELOPMENTS IN NORTHERN IRELAND

6.1. The aims and objectives stated in this White Paper apply in principle in Northern Ireland as they do to the rest of the United Kingdom. The new structure of vocational qualifications will apply directly to Northern Ireland, and account will be taken in the administration of the new structure of any adjustments which may be necessary to cater for the particular institutional and organisational arrangements which exist there. The Secretary of State for Northern Ireland will be a sponsor of the National Council for Vocational Qualifications.

6.2. However, while Northern Ireland subscribes to a national structure of qualifications, it has traditionally operated distinctive educational and youth training systems. For that reason, curricular and youth training developments will be pursued in the context of those local systems.

6.3. For those in full-time education in Northern Ireland, there are a number of initiatives in curriculum and assessment which parallel, link or subsume those developments planned for the rest of the United Kingdom. In particular the aims, criteria and principles of TVEI are compatible with those of the 11-16 Curriculum Review and Development Programme in Northern Ireland. There is therefore already in place a framework for change and development in schools within which TVEI principles can be considered by schools and adapted to suit local circumstances. The uptake of good practice identified within TVEI could be promoted effectively in the context of the whole curriculum.

6.4. Since its launch in 1982 the Youth Training Programme in Northern Ireland has offered two years of training to minimum age school leavers. It is managed and delivered by an effective partnership of the Departments of Economic Development and Education which ensures a well-integrated and balanced provision designed to assist young people to make the transition from school to adult working life.

6.5. It is the intention to build on this firm foundation of vocational preparation provided under the Youth Training Programme and to concentrate on:

- the enhancement of quality, including staff development
- the promotion of the concept of open routes and clear progression
- the delivery of relevant training linked to opportunities to work for nationally recognised qualifications
- the expansion of training provision, particularly in the second year of the Programme, to enable the Government's objectives in regard to guarantees (to which reference is made in Part 4 of this White Paper) to be delivered in Northern Ireland.

6.6. Work is already in hand in Northern Ireland to lay the foundations for a greater coherence in the whole range of vocational education and training programmes for those aged 14 to 18. On the basis that better integration and progression can be achieved from such foundations and by full participation in the national development of a new vocational qualifications system, Northern Ireland should be able to build a more buoyant economy through the development of its young people into the skilled and flexible workforce so necessary for the future.

PART 7

SUMMING UP

7.1 In "A New Training Initiative: A Programme for Action" published in 1981 the Government endorsed the Manpower Services Commission's New Training Initiative with three major national objectives for achievement in the decade. It also announced the setting aside of resources for a new Youth Training Scheme, the development of the Open Tech Programme, the setting of a target date for the completion of the modernisation and development of apprenticeship and other long-term training programmes and the development of new approaches to secure more vocationally relevant provision in full-time education and closer links between education and training services and industry in localities.

7.2 In "Training for Jobs" published in 1984 the Government recorded significant developments in vocational education in schools, including its Technical and Vocational Education Initiative. At the same time the Government announced its Adult Training Strategy and significant new arrangements concerning vocational education in the further education sector.

7.3 In "Better Schools" published last year the Government set out its policies for improving the contribution of schools in England and Wales to the preparation of young people for working life.

7.4 In "Education and Training for Young People" also published last year the Government announced the development of YTS as a permanent feature of the vocational education and training system, offering two years of high quality training for school leavers leading to recognised qualifications. It also announced the establishment of the Review of Vocational Qualifications.

7.5 In this White Paper, the Government has carried forward the development of vocational education and training. In particular it has highlighted:

- significant developments in full-time education aimed at raising standards at all levels of ability, giving all young people a broad competence and improving effectiveness and efficiency
- the extension nationally of the pilot Technical and Vocational Education Initiative projects and the commitment of a total of £900 million over 10 years to education authorities for this purpose
- the ways in which the 2 year YTS is being developed as a high quality programme
- the setting up of a new framework of National Vocational Qualifications in England, Wales and Northern Ireland to embrace all existing vocational qualifications
- the establishment later this year of a National Council for Vocational Qualifications to act as a focus for development of the NVQ framework.

7.6 These developments show the increasingly close relationship between education and training policies. The success of these policies will require a sustained effort by all concerned. There is no magic wand that can be waved to transform the situation overnight. The Government does not claim that there is. But if all those concerned in education and training work together to achieve the objectives set out in this White Paper, we shall begin to earn the dividend which investment in learning will bring. There are few areas of national life more important to the future of our economy, our people and our families.



CCB
CCB/CP

PRIME MINISTER

THE PROPOSED NATIONAL COUNCIL FOR VOCATIONAL QUALIFICATIONS

We are to discuss tomorrow your initial reaction to my minute of 9th June about the proposed national council for vocational qualifications. In advance of that meeting I thought it might be helpful to comment on the questions which I understand you were asking. They might serve as an agenda.

Is the function of the proposed NCVQ necessary?

I believe it is vital to rationalise the present jungle of literally hundreds of examining standard setting and professional bodies which at present award a corresponding number of vocational and professional qualifications often with very little regard to the real requirements of the workplace and the nature of qualifications awarded by related bodies. As a result there is a strong disincentive to people to take further training if they feel they will not get credit for what they have already done. Moreover most qualifications give quite insufficient recognition of skills acquired at work

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and the need for testing of competence at work rather than on paper. The NCVQ will tackle these issues, and its success in doing so will be, I believe, ~~(the proposed functions of the NCVQ are)~~ vitally important to increasing labour market flexibility.

Why a new body?

The review group, under Oscar De Ville, was representative of a number of the major interests including employers professional bodies, and educational bodies and it was clear in the group discussions that because the proposed functions of the NCVQ would restrict the independence of existing bodies none of them would be seen as impartial when dealing with the other organisations which are in many cases their competitors in the market place. For example the City and Guilds of London Institute (CGLI) could not be accepted by its main rivals (the Business and Technician Education Council and the Royal Society of Arts) as being impartial if it had to examine the status of their qualifications. The review group was unanimous that no existing body could take this on. It also considered at an earlier stage whether the function was



appropriate to government but the unanimously view was that there was no existing government department or agency which would be sufficiently acceptable to all the interests to achieve rationalisation by agreement. We would be forced to legislate to give powers to DE Group or DES (or Welsh or North Ireland departments) to enforce the change. In the long run that may yet be necessary but I am sure we should try the voluntary route first - it avoids the need for more civil servants and promises to be self-financing after a few years.

Will any bodies disappear?

I cannot make any promises that the arrival of the NCVQ to discharge a new function will mean the disappearance of any existing bodies but I hope and expect that it will have the effect of rationalising considerably not only qualifications but ultimately the bodies issuing such qualifications. But I cannot promise any immediate savings in the short-term.

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Can the ministerial arrangements be simplified?

In deference to the wishes of the education ministers and their judgement about the reactions in the education world I have accepted that the Council should be jointly sponsored by the Secretaries of State for Education and Science, Northern Ireland, and Wales but that I should take the lead in day to day matters and for issues spanning the functions of all departments concerned. It has also been agreed that I should make appointments to the Council, in consultation with other ministers. It would be possible to provide that the Council was accountable only to me, whilst making it clear that in exercise of my controlling functions I would consult other ministers as necessary; and indeed the review group unanimously recommended accountability to a single Secretary of State. I would however expect Kenneth Baker to have strong views about this and to argue that accountability to me alone would reduce the chances of acceptance of voluntary rationalisation because the education world at large would drag its feet even more.

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Conclusion

I can understand your reservations about setting up a new body. I must emphasise however that not only the CBI but individual employers (eg Rocco Forte) have said to me how important they think the functions of the NCVQ will be in encouraging a better trained and more flexible workforce. We have unanimous recommendation with a real chance of success by voluntary means. The return on an investment of some £3 million a year for basic costs (and for the first few years only) will be enormous.

I look forward to developing these arguments when we meet.

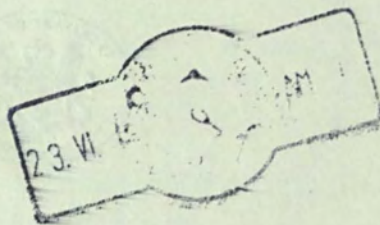
A handwritten signature in blue ink, appearing to be "M. J. P." or similar, with a long horizontal stroke at the end.

DY

23rd June 1986

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I am enclosing your reservation about...
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June 1950

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JU613

Secretary of State for Trade and Industry

DEPARTMENT OF TRADE AND INDUSTRY

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CEBA

B June 1986

The Rt Hon Lord Young of Graffham
Secretary of State for Employment
Department of Employment
Caxton House
Tothill Street
London SW1 9NF

NBP/N

Dear David,

DRAFT WHITE PAPER ON VOCATIONAL EDUCATION AND TRAINING

Thank you for sending me a copy of ^{*file on back up.*} your letter to Kenneth Baker on the proposed White Paper.

I welcome the paper and am content to support it, subject of course to the timetable eventually agreed. My officials have already been in touch with yours to pass on our comments, which were only minor drafting points.

I am copying this letter to the Prime Minister, Willie Whitelaw, Norman Tebbit, Kenneth Baker, Malcolm Rifkind, Nicholas Edwards, John Biffen, John MacGregor and John Wakeham.

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PAUL CHANNON

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BOARD OF TRADE
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Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Lord Young of Graffham
 Secretary of State for Employment
 Department of Employment
 Caxton House
 Tothill Street
 London
 SW1H 9AN

20 June 1986

Dear Secretary of State,

DRAFT WHITE PAPER ON VOCATIONAL EDUCATION AND TRAINING

Thank you for sending me a copy of your draft White Paper on Vocational Education and Training. ^{at 11.15}

As you say, the details of the text - and the date of publication or indeed whether we make an announcement at all - will depend on our discussions next week on an extension of the TVEI and your public expenditure position. The only possible basis for an agreement this month would be if you undertake for this Survey to accommodate the costs of your proposals within your existing baselines for each year, and to take specific identified actions to deliver those baselines.

You mention in your covering letter that you see the White Paper as setting the tone for further policy statements which you hope to make in the Autumn. I will look forward to seeing what you want to say; in the meantime, I could only agree to publication of this White Paper on the basis that it in no way commits us to further statements. Moreover, you will understand that I could not agree to the announcement in the autumn of any new programmes which require expenditure beyond that allowed for in your existing baseline. Against this background, at least the second half of the last sentence of 1.11 should be deleted (stopping therefore at "... and education").

If the White paper were to go ahead, paragraph 3.22 of the draft would need to reflect the decisions we reach about the level of funding. It should also reflect the spread of expenditure at least over the early years concerned. We will also need to

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make it clear that the TVEI extension, while it represents additional money for education authorities, is being financed from within your existing resources.

Paragraph 4.8 of the draft announces that the "Christmas guarantee" (that those 16 year olds who are still unemployed will be given a place on YTS by Christmas) will hold for a 2 year place not just for 1 year. I can only agree to this on the basis that the last sentence of the paragraph is deleted: it diverts attention unnecessarily from what we have done to what the Government is not doing.

In order to preserve your room for manoeuvre to keep to your commitment to live within the resources available for YTS, the second clause of the last sentence of 4.15 should be deleted; the sentence would end "... within our grasp."

In view of the importance which the Government has attached to the evaluation of policies and the demonstration of value for money, I think that there is a strong case for the White Paper saying rather more about the specific aims and measures of success for the main new programmes announced.

I gather that the draft is now being shortened and revised. I think that a shortening would be helpful. I would be grateful to see a further draft when it is available.

I am copying this letter to the Prime Minister, the Lord President, the Chancellor of the Duchy, the Secretary of State for Trade and Industry, the Secretary of State for Scotland, the Secretary of State for Wales, the Lord Privy Seal, and the Chief Whip.

Yours sincerely,

John Luther

pp JOHN MacGREGOR

(Seen and approved by the
Chief Secretary and signed in
his absence)

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CC BG



SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

Prime Minister 2

You may like to
please at the draft
White Paper, attached.

DLF
20/6.

RESTRICTED

The Rt Hon Lord Young of Graffham
Secretary of State for Employment
Caxton House
Tothill Street
LONDON
SW1 9NF

20 June 1986

Dear Secretary of State

mf

WHITE PAPER "PULLING TOGETHER - EDUCATION AND TRAINING"

Thank you for copying to me your letter of 16 June inviting agreement to the publication of the White Paper "Pulling Together - Education and Training". I welcome the proposals in the White Paper, both generally and insofar as they apply to Scotland. In particular, as I said in my letter to you of 11 June, I support the extension of TVEI, which has worked well in Scotland and fits in with our curricular reforms. I continue to foresee some adverse reaction to the compensating reduction in YTS expenditure but I agree that this is acceptable in view of the considerable benefits of the TVEI extension.

I must add a note of caution however. While I fully agree with the statement of the Government's objectives and with the curricular principles outlined in the White Paper, we are currently very far in Scotland from delivering the curricular changes themselves. We hope that the negotiations which will follow the report of the Main Inquiry into teachers' pay and conditions in Scotland will result in a settlement which will renew the commitment of Scottish teachers to curricular change. But this will not be achieved without difficulty; and meanwhile I have learnt that the Educational Institute of Scotland voted at its annual conference on 6 June against further co-operation with the TVEI pilot scheme, which they had hitherto been prepared to support under certain conditions. Teachers may welcome the availability of TVEI funding for all schools; but in Scottish circumstances, if the EIS do in the event translate their conference decision into active opposition to TVEI, few schools are likely to oppose the union line and this is bound to affect seriously the development of schemes.

This development is likely to reinforce doubts within Scotland about the extension of the role of the MSC in education and it will no doubt be argued that these same additional resources should rather be made available to education authorities to fund our curricular reforms on a broader basis. As I said in my letter of 11 June, it is essential that the consistency between TVEI objectives for the curriculum and those of education departments and the partnership between the education departments and the MSC in managing TVEI should be stressed in the presentation of the White Paper: It may be helpful in that respect to add a further sentence to paragraph 3.8 of the draft, on the following lines:

"In Scotland, the arrangements will take particular account of the need to ensure full harmony with Standard Grade and Action Plan developments".

I agree that we should co-ordinate publicity arrangements with care. I would intend to make a separate written statement in the Commons on the day of publication and to issue a separate Press Release in Scotland, highlighting the particular Scottish considerations. I take it that in the light of my responsibilities for both MSC and for education in Scotland, I will be listed as one of the Ministers presenting the White Paper to Parliament.

I am copying this letter to the Prime Minister, the Lord President, Chancellor of the Duchy, Chancellor of the Exchequer, the Secretaries of State for Trade and Industry and Wales, the Lord Privy Seal, the Chief Secretary to the Treasury, the Chief Whip and the Leader of the House of Lords.

Yours sincerely
Malcolm Rifkind

MALCOLM RIFKIND

Approved by the Secretary
of State and signed in his
absence

EDUCATION
TUEI
PTZ



~~Mr Nagore~~

18 June 1986

LORD PRESIDENT OF THE COUNCIL

TVEI

After talking to your Private Secretary, I enclose a minute on TVEI which I wrote for the Prime Minister on the assumption (false, as it transpires) that she was chairing the meeting.

I also enclose an earlier note which I did for a meeting she had with Lord Young. I hope they are of some use.

Brian Griffiths

BRIAN GRIFFITHS

THE EXTENSION OF THE TVEI

Lord Young's minute raises three questions:

- Should TVEI be extended from a pilot to a national programme?
- Should the announcement of a national extension (effective from 1 September 1987), include a particular sum of money?
- Should the extra funding be £900m?

Should the initiative be extended?

TVEI has been an undoubted success as a pilot programme. It should certainly be extended. But the key question is: at what rate? In agreeing to its extension, you need to be satisfied that:

- a. There will be an adequate supply of good teachers to run TVEI programmes: in pilot form, TVEI affects around 600 schools, but a national extension would involve roughly 5,000 schools. This is an enormous leap, and almost certainly there will be shortages of teachers in subjects such as business, information technology, CDT and computing: this suggests that expansion should be less rapid than proposed.
- b. The HMI and some body representing business publish annual reports on the quality of TVEI and its success in

producing the skills which the economy needs: even in the successful pilot stage, standards have been very variable.

You might also satisfy yourself regarding the following:

- i. What is the current state of curricula development for the 16-18 age group? How does this tie up with A Levels, City & Guilds etc? If YTS pays £27 per week in the first year, and £35 per week in the second, how many students are likely to be attracted to TVEI?
- ii. From where have the existing TVEI teachers been recruited? Have some switched from non-TVEI to TVEI schools? Have the non-TVEI schools suffered? How will it be possible to cope with an enormous expansion?
- iii. What has TVEI achieved for the lowest ability range - say, the lowest 25%?

Should the announcement be made now?

Announcing in the July White Paper that the Scheme will be extended from September 1987 is a useful boost to our education and employment policies. This will enable LEAs to start planning this autumn for September 1987. But the announcement of a definite figure, such as £900m, adds very little to the effectiveness of the White Paper. The figure of £900m is only mentioned once in the text (para. 3.22) and once

in the conclusions (para. 7.5). It would make very little difference to the White Paper if the sentence:

"The Government has set aside £900m over 10 years or so of this development as its commitment of additional funding"

became:

"The Government is committed to a national extension of TVEI, with the amount of extra funds to be determined in this year's Expenditure Survey".

The most serious disadvantage of announcing an allocation of funds to TVEI now would be that it makes a nonsense of the PES round and spending discipline. The Department of Employment have no real answer to this.

Should the extra funding be £900m?

The arguments in favour of £900m rather than £600m are not compelling. There is the suggestion that some LEAs may not take up the MSC's offer. This must be highly doubtful. £20,000 per school for a number of years is effectively one extra post, and therefore must be attractive. You also need to ask whether the extra £300m would best be spent on TVEI or other curricula developments. Do DES have views on this? And in any case, is it possible to obtain the views of head teachers? These are matters which Lord Young might work on in defending his proposal in the PES round.

BRIAN GRIFFITHS



NOTE

MISTAKES CORRECTED
18/6



cc BG

Caxton House Tothill Street London SW1H 9NF

Telephone Direct Line 01-213.....6460.....

Switchboard 01-213 3000

17 June 1986

John Roberts Esq.,
Cabinet Office,
70 Whitehall,
London

NBPA.

Dear John,
attached

E(A)(86)26 - EXTENSION OF TVEI

Our paper of 13 June unfortunately contains two mistakes, both in paragraph 8:

- line 5; the figure should read £80m and not £10m,
- line 9; the sentence as typed does not make sense and should begin "The balance - representing less than 1% of my baseline - covers"

I am sorry for the inconvenience caused by these mistakes, and am copying this letter to the private offices of all members of E(A).

Yours ever,

Iain Mackinnon

Iain Mackinnon
Private Secretary



ccBG



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From The Secretary of State for Wales

The Rt Hon Nicholas Edwards MP

17 June 1986

NBP7

D. J.

TVEI EXTENSION

David Young copied to me his letter of 30 May proposing an extension to TVEI.

The Initiative has been generally well received in Wales and I support its extension to a full national programme beginning in September 1987.

I note the deliberations on the level and source of funds involved and see that there may be further discussions between you and David. As far as TVEI is concerned, and the "success" of a national extension, I would prefer funding at the equivalent of £30,000 per institution. The resources available under the pilot schemes were considerably more generous than this and I believe that, in order to maintain the TVEI momentum and its attraction to Local Education Authorities, the higher level would be the most appropriate in helping to achieve the TVEI objectives.

/ Copies of this letter go to the Prime Minister, David Young, Kenneth Baker, Norman Tebbit, Malcolm Rifkind and Paul Channon.

John
Noel

The Rt Hon John MacGregor OBE MP
Chief Secretary to the Treasury
Treasury Chambers
Parliament Street
LONDON
SW1P 3AG

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Telephone Direct Line 01-213.....6460.....

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The Rt Hon Kenneth Baker MP
Secretary of State for
Education and Science
Elizabeth House
York Road
London SE1 7PH

BF

Any PV comments by
~~Wednesday~~ Tuesday pm.

16th June 1986

Dear Secretary of State,

DRAFT WHITE PAPER ON VOCATIONAL EDUCATION AND TRAINING
"PULLING TOGETHER - EDUCATION AND TRAINING".

Copy
requested
16/6

I attach a draft White Paper on vocational education and training and would be grateful for your agreement that we should make arrangements for its publication early in July. The text is of course conditional on us reaching agreement with E(A) colleagues this week that the TVEI extension can be announced in this White Paper, and on agreement to the establishment of the National Council for Vocational Qualification on which I minuted the Prime Minister on 9 June.

The thrust of the White Paper is to announce the TVEI extension and our decisions on the Review of Vocational Qualifications and to show how the announcements are consistent with, and build on, the important developments in education and training which are taking place. I see the White Paper as setting the tone not just for these announcements but for further policy statements which I hope to make in the Autumn about developments in adult and continuing training - to which I hope that the Education Departments will be able to contribute.

Earlier drafts have been circulated at official level and I hope that this draft reflects a very wide measure of agreement between departments. I think it is on the right lines, although I want personally to look again in the next few days at a number of drafting points. I hope therefore that you and colleagues can let me have any comments by lunchtime on Friday 20 June.

I hope that we can make statements in both Houses on publication, and I will of course want to coordinate publicity arrangements with you and interested colleagues.

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I am copying this letter also to the Prime Minister, the Lord President, the Chancellor of the Duchy, the Chancellor of the Exchequer, the Secretary of State for Trade and Industry, the Secretary of State for Scotland, the Secretary of State for Wales, the Lord Privy Seal, the Chief Secretary to the Treasury, the Chief Whip, and the Leader of the House of Lords.

Yours sincerely.

Iain Mackinnon

IAIN MACKINNON
Private Secretary

[Draft approved by the Secretary of State
and signed in his absence]

RESTRICTED



RESTRICTED

DRAFT WHITE PAPER

PULLING TOGETHER - EDUCATION AND TRAINING

Presented to Parliament by the Secretary of State for Employment and the Secretary of State for Education and Science, supported by the Secretary of State for Scotland, the Secretary of State for Wales, the Secretary of State for Northern Ireland and the Secretary of State for Trade and Industry.

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- Part 6 - Developments in Northern Ireland
- Part 7 - Summing Up

Department of Employment

16 June 1986

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PULLING TOGETHER - EDUCATION AND TRAINING

Part 1 - Introduction

1.1 We live in a world of determined, well-educated, well trained and strongly motivated competitors. Those competitors have taken more and more of our markets - overseas and here at home as well.

1.2 For the nation and for all its businesses - small or large - survival and success will depend on:

- designing, making and marketing goods and offering services that the customer wants at the right time and at a price he is prepared to pay;
- constantly innovating to improve quality and efficiency;
- continuously maintaining a competitive edge over our competitors, not just today but for the foreseeable future.

1.3 In today's and tomorrow's world, the same machines and equipment can be bought by anybody. Success will go to those (be they firms, communities or nations) whose people can use them to the best advantage. And that requires individual initiative, innovation and competence across the whole spectrum of skill and aptitudes. People - with their knowledge, learning, information, skilled intelligence, innovation and reliable competence - are our most important asset and resource.

1.4 The potential and the creative capacity of each and every member of the population has to be harnessed. Attitudes must change so that people, individually and collectively, acquire the habit of learning, the skills of learning and the desire to learn. The climate must be one in which learning is rewarded and is seen to lead to progress for individuals and companies. And individuals and employers must recognise that it is in their interest to invest more time, effort, and money than they do now.

1.5 The main effort to achieve these changes must come from individuals and employers. But the Government too has a vital role. That

is why it has committed itself to work with others to achieve radical modernisation of our vocational education and training system. Since 1981 great strides have been made eg-

- in launching and developing YTS, which, beginning in 1983, has so far provided more than 1 million school leavers with good quality foundation training on leaving school;
- in the reform of the school curriculum and examinations;
- the Technical and Vocational Education Initiative under which, by September this year, almost 100 education authorities in England, Wales and Scotland will have embarked on one of the most significant broadenings of the school curriculum this century.
- in the beginning of a new partnership between the Manpower Services Commission and the local education authorities of England and Wales to develop work-related non advanced further education so as to meet the needs of a changing labour market and do so more effectively, as is happening with the 16+ Action Plan in Scotland;
- in the development of an Adult Training Strategy, to make people more aware of the vital necessity of continuing to learn throughout working life and to make it much easier for them to do so;
- in the Open Tech Programme which has placed this country amongst the leaders in open and flexible learning (including distance learning);
- in developing in industry and commerce, a heightened awareness of importance of vocational education and training to commercial success, and through collective agreements important developments in the modernisation of traditional vocational education and training patterns.

1.6 But much more needs to be done. Comparisons with where we were a few years ago are irrelevant, as are comparisons with what other British companies and organisations are doing. What counts is comparison with our overseas competitors - and the joint Manpower Services Commission/National Economic Development Office Study "Competence and Competition" shows that key international comparisons are to our disadvantage. The CBI, the TUC and the Government have agreed in the National Economic Development Council that employers in general need (and can now afford) a much greater commitment to training.

1.7 And our competitors know it - they invest heavily in training. And they are pulling away from us and we must overtake them. That needs a sustained effort - from all of us. Our vocational education and training system is not - and never was - the envy of the world. But we must make it so.

1.8 But the reform and modernisation of our vocational education and training system is not - and never will be - a task for Government alone. The task required commitment and leadership from others too.

1.9 This White Paper show how education and training policies, especially for young people, are being developed in a complementary and coherent way and announces:-

- a national extension of the Technical and Vocational Education Initiative (Part 3) beginning in September 1987, which will over time become available in all schools in Great Britain for young people of 14 -18, and relates it to the continuing development of good quality vocational education and training in schools and non-advanced further education and YTS, for all up to age of 18 at least.
- the creation of a new framework of National Vocational Qualifications in England, Wales and Northern Ireland, to be developed and supervised by a new National Council of Vocational Qualifications (Part 5). This will allow people to demonstrate clearly what they can do as well as what

they know; they will be able to progress with ease to learning and acquiring more skills without going back over ground already covered.

1.10 These will be major advances. But reform and modernisation of our vocational education and training system requires commitment and leadership not only from Government, but from others too - including both suppliers and users of training. The objectives must be to ensure:-

- a vocational education and training system in which opportunities and choices at all levels are greater and of better quality than they have been in the past;
- a system which is responsive to labour market needs and encourages the supply of appropriate skills;
- a system in which employers, students and trainees determine, through their role as customers in a well-developed market, what, when, where and how best they can learn;
- a system in which access to vocational education and training starts in the schools, continues on leaving school and then continues throughout a working life;
- a system in which competence and achievement are encouraged, recognised and rewarded by employers and in which unnecessary barriers to progression or to access to education and training are removed;
- a structure of recognised qualifications which are based on competence and match the needs of modern employment
- good quality, reliable, and highly professional suppliers of vocational education and training which are known to be such and can profit from the maintenance of quality and

from meeting customer needs;

- a system in which value for money (whether that money is the employer's, the individual's the taxpayer's or the ratepayers) is clearly demonstrated;
- a system which employers and employees understand, respect, and use to the full with a major increase in their investment in training.

1.11 This White Paper concentrates on the application of these objectives to vocational education and training for young people, although the proposed reform of the vocational qualification system will have considerable benefits for older people as well. The objectives are equally relevant to continuing and adult training and education and the Government will keep them very much in mind in further developing its policies in these areas.

1.12 As a country, we have much to gain from achieving these objectives. A start has been made. Early progress has been good. But we must maintain this progress to achieve a coherent vocational education and training system which serves the interests of all - wherever they live, irrespective of income, gender or race. The Government is pulling together its education and training policies: now we must all pull together to reap the benefits.

DEVELOPMENTS IN FULL-TIME EDUCATION

The under 16s

2.1 Our work force needs to be as well educated, and well-trained as that of our competitors. Children go to school so that they can develop their talents, become responsible citizens and be prepared for work - for others or on their own account. The schools - and, for some, the colleges and universities - have the task of laying the foundations for effective learning and training throughout life. They need to do that vital task well.

2.2 The Government's education policies aim to give to every pupil and student a capability which makes them versatile and sufficiently adaptable for the technological challenges of employment. Initial education has to be broad and balanced. Young people in England and Wales specialise earlier than is normal abroad. This trend has gone too far. The Government's policy (set out in the White paper "Better Schools" (Cmnd 9469) in April last year) is that up to age 16 all pupils should be acquiring a broad competence, not only in the skills of communication and numeracy but also in science and technology, design, foreign languages, and others necessary in a successful modern society.

2.3 A broad competence is not just a matter of knowledge, skills and understanding, it is also about doing. This means that positive attitudes⁴ to life and work are vital. On leaving school or college young people ought to have the right motivation and be eager to learn, to show initiative and enterprise, to work hard and to achieve. Motivation is as essential in preparing for work as it is at work. Motivation and higher standards go together. That is why Government policy for schools now emphasises practical learning, so that their learning means something to the pupils and they see how they can apply it now and when they grow up. Practical work is not just for the less able. In the Government's view, pupils of all abilities need to be taught to apply what they learn to what has to be done outside the classroom and in the real world of work.

2.4 Nothing motivates pupils more than a challenge which is within their grasp. The job of the schools is to stretch every pupil in this way. That is possible only if teaching takes account of differences in ability and aptitude. A central aim of present curriculum reform is to motivate pupils by adjusting the challenge so that no one is bored because the work is too easy and no one disheartened because it is too hard.

2.5 To reform the curriculum in all these ways is not the policy of the Government alone. All the partners in the education system - the education authorities, the voluntary bodies and the teachers, as well as parents and employers - want to make a reality of these reforms. More real resources are now being employed per pupil than ever before. But much can be done to use present resources to better effect: the standards achieved by comparable schools with comparable resources vary widely. It is realistic to aim to make every school as good as the best comparable one. The improvement in standards will benefit everyone, and give a new start to the nation's training effort.

2.6 The reform of the school curriculum will be reinforced by a reform of the examinations normally taken at around age 16. The General Certificate of Secondary Education (GCSE), for which courses start this autumn in England and Wales, will be fairer, more stimulating and more challenging. It will test competence in practical skills as well as in knowing the subject - for example the ability to communicate orally in English and foreign languages and to apply scientific theory to solving practical problems. It will give candidates more opportunity to show what they know, understand and can do and will reward them only if they show it. Employers will have a better idea of what a successful candidate knows and can do. Candidates will be more stretched before they can get good grades. Standards of achievement will be raised. The introduction of the Standard Grade in Scotland is intended to achieve the same effect.

2.7 Schools develop positive personal qualities and

attitudes in young people which are not tested by examinations. These attributes will be recognised and encouraged by records of achievement, now being developed. The records are planned to be available to every school leaver in England and Wales by 1990.

2.8 Better schools require better teaching. No part of our national training effort is more important than the training of school teachers. Together with its education partners the Government is improving the selection of entrants to the profession, and the quality of courses; and is promoting better professional up-dating and development through the in-service training of serving teachers. Its policies are designed to raise teaching quality and teacher motivation through better management of the teacher force, with higher rewards for those whose professional effectiveness contributes most to standards in our schools.

2.9 For young people, their 16th year is a milestone, but it should be seen as a point on a continuing road rather than the end of a journey. It ends the period of compulsory schooling during which they need to follow a broad curriculum to keep open the many career options available to people of all abilities. Beyond 16, learning goals become more specific and study and training more specialised. But this change of gear should not be abrupt. Post-16 learning should build smoothly and constructively on what was learnt before. In the last two years of the compulsory period, the programme of all pupils should begin to have, for example through work experience, something of the flavour of what they will experience after 16. And these changes should be part of a 5-16 curriculum which is continuous, broad and balanced throughout, providing a sound foundation for more specialised choices. The special contribution which the Technical and Vocational Initiative is making to this bridging process, and the Government's plans for its extension, are described in part 3.

Coherence in vocational education and training

2.10 The reform of the school curriculum, the introduction of the GCSE and the expansion and development of the TVEI will increase the

confidence, motivation and achievements of young people at the end of the compulsory period of education. The aim is to secure a change of attitude towards learning, and the achievement it makes possible, as well as an improvement in the standards of competence, so that more young people see the value of entering the labour market with the best qualifications they are able to achieve. All such qualifications will need to be practical and relevant to employment. The degree of specialisation will depend on the aptitudes and aspirations of the individual. The introduction of 2 year YTS will transform the structure of vocational education and training and will be the preferred route for many of those who have traditionally left school for employment. It will also provide an appropriate alternative route to qualifications for some who would previously have remained full-time at school or college. At the same time it is highly desirable to increase participation in full-time courses. Unless school sixth-forms and further education colleges are able to attract a higher proportion of the age group, international comparisons suggest that it is unlikely that we shall be fully effective in tackling the problem of an under-trained and under-educated work force. What is manifestly not desirable is for young people to leave school or college and take jobs in which there are no opportunities for further education and training.

2.11 In order to increase participation of 16-19 year olds in full-time courses of education and training it is necessary to improve the effectiveness and efficiency of what is provided. A number of curriculum reforms are already in train, with a view to creating a sound framework of courses and qualifications. The principles of breadth, balance, relevance and differentiation will continue to apply. For example, all vocational courses need to allow students to move on to a range of related but different areas of employment. But these principles require fresh interpretation as learning goals become more specialised. The curriculum of A level students in England and Wales will be broadened through:

- the introduction of the AS level courses in 1987, which will offer the possibility of new combinations of contrasting or complementary subjects

- a more balanced approach to the teaching of A level syllabuses, with more prominence given to practical applications and an investigative approach at the expense of factual knowledge.

2.12 The introduction of the Certificate of Pre-Vocational Education (CPVE) will provide a broad-based 'basic vocational year' for those not aiming at A level studies but who wish to keep their options open before committing themselves to training for a particular occupation. It is already being successfully offered in full-time education and could also (if the YTS Certification Board agrees) become an important route within YTS - a possibility which has been the subject of a limited but successful pilot programme and which is to be more extensively piloted in the next year. The new National Vocational Qualification, described in part 5 below, will indicate achievement in a balanced programme of education and training covering the three essential elements of preparation for competence in any field of employment: skills; knowledge and understanding; and practical applications.

2.13 Many students following A level courses enter employment directly after completion of those courses; and some students pursue courses leading to qualifications such as those offered by the Business and Technician Education Council and then enter higher education, and the Government would like to see more following this route. So decisions at 16+ should not be irrevocable: bridges and ladders between the various routes will need to be built. Both the extension of TVEI and 2 year YTS should result in many more young people achieving vocational qualifications, and the same or similar qualifications may often be obtained through both these and other routes. The Government's objective, which it hopes is shared by all, is for people to progress to the limit of their creativity and potential and, for this to happen, relevant credits secured through one route must be capable of being used to progress in another. This objective is best pursued jointly by the National Council for Vocational Qualifications and the Secondary Examinations Council. Their work in this important area will be carried

out in consultation with the MSC and others concerned and will provide a focus for action.

Developments in Scotland

2.14 The principles outlined in the preceding paragraphs apply equally in Scotland. There however the structure of examinations has traditionally been very different and in particular the pattern of courses leading to the Higher Grade of the Scottish Certificate of Education has avoided specialisation on too narrow a range of subjects. For 14-16s the new Standard Grade courses, for the time being to be offered in parallel with Ordinary Grades, will offer a wide range of relevant and broadening educational experiences for pupils of all abilities, based on the curricular framework developed in the Munn Report. TVEI will reinforce that framework; and certification of technical and vocational courses is available through both Standard Grade and the SCOTVEC National Certificate. At 16-18, Higher Grade and Certificate of Sixth Year Studies courses are being revised to reflect the changes at Standard Grade and in particular to emphasise the acquisition of skills and the understanding and application of knowledge rather than factual knowledge for its own sake.

2.15 At the non-advanced further education level in Scotland, the 16+ Action Plan has led to the rapid development and success of the SCOTVEC National Certificate and has provided a framework for flexible and coherent provision for the age group. The Action Plan has introduced an innovative approach to the provision of non-advanced further education in the form of modular courses. The new system provides increased flexibility for students and makes available new opportunities for adults with retraining needs. Study can be undertaken on a part-time or full-time basis in further education colleges, secondary schools or as part of a 2 year YTS. Consultation with industry and commerce has been a continuing feature of the development and implementation phases of the programme to ensure that the modular provision meets the needs of industry and commerce. The Action Plan has

extended and strengthened the links between industry, schools and further education to ensure that young people are better prepared to meet the demands of working life. The Government has also encouraged the Scottish Examination Board and the Scottish Vocational Education Council to co-operate closely, and is concerned that a clear understanding of the equivalences between the SCE and the National Certificate can be developed so that there can be effective credit transfer between them.

Value for money

2.16 The newly emerging pattern of courses and qualifications provides a framework within which education authorities can plan the deployment of resources to give the best possible service to young people in their area and to prospective employers in the local community and beyond. Effective planning of the range of courses which the education system has developed to meet the needs of young people aged 16-19 will have at least the following characteristics. It will be undertaken by the local education authority in consultation with the governing bodies of institutions. It will take account of the views and experience of teaching staff and of employers. It will aim for greater coherence in the deployment of resources between schools and further education colleges. It will seek to ensure that prospective customers for post-16 courses (both students and employers) are fully informed about what is on offer and about the bridges and ladders between different routes to qualifications, and that young people and their parents receive clear and impartial advice so that they can make a wise initial choice. Last but not least, effective planning must take account of the rapid fall in numbers in the 16-19 age group and the need to increase efficiency, quality and value for money in order to finance improvements in quality. Some education authorities are already making good progress towards satisfying these criteria and the Government has taken the steps set out in paras 2.17 to 2.21 below to ensure that they are universally adopted and achieved.

Development plans for work-related non-advanced further education (NAFE)

2.17 As a first step, local education authorities in England and Wales agreed in 1985 to prepare and submit to the MSC development plans and annual programmes for work-related NAFE. All authorities have prepared their first plan, and early indications are that this annual exercise will considerably strengthen the effective planning and management of NAFE. It will be subject to regular review by the Government and the local authority associations, the first of which will take place this summer.

2.18 The tests of success will include evidence of increased responsiveness to the local labour market, improvements in the collection and application of essential management information (including such measures of performance as job placements and customer satisfaction) and evidence of a more reliable flow of labour market information to colleges through the intervention of the MSC and a more systematic approach to marketing. The need for better marketing was one of the themes of the College Employers Links Project of the Department of Education ^{and} Science and will be more widely disseminated through the Responsive College project managed by the Further Education Staff College for the MSC. All these initiatives have the makings of a powerful partnership between the providers and the customers of work-related NAFE, taking advantage of the close links which the MSC has with both local education authorities and employers.

Surplus school places and efficiency in NAFE

2.19 The Government and education authorities recognise the importance of securing the best value for the money for post-16 education and training. The Department of Education and Science has recently completed a joint study with the local authority associations of the scope for removing surplus school places (a comparable study is taking place in Wales). New targets for the removal by 1991 of half the primary surplus and three in five of the secondary surplus are reflected in the Government's expenditure plans.

2.20 The Department of Education and Science is conducting a joint study with the local authority associations of the scope for greater efficiency in non-advanced further education, with a view to

agreeing national targets for the staff student ratio; to promoting better management by local education authorities using agreed performance indicators; and to disseminating practical advice.

Guidance on local authority reviews of provision for the 16-19 age group

2.21 The Secretary of State for Education and Science (has recently issued/intends shortly to issue) draft guidance to local education authorities on the planning and organisation of provision for pupils and students up to the age of 19. The draft circular calls attention to the need to improve standards and make schools and colleges more cost-effective at a time of sharply falling age groups. The 16-19 year old population will fall by one-third during the next decade and is expected to remain well below the 1983 peak for the rest of this century. Against this background, and the overlap between the type of course which can be taken in schools and in further education, local education authorities are being invited to undertake a review of all 16-19 provision in their area as a basis for decisions on the best distribution of courses. The Secretary of State for Education and Science has no preferred solution for the outcome of such a review. The appropriate pattern of organisation for improving educational quality in the most cost-effective way will differ from one location to another. The common factor is the need to draw up coherent plans for work-related NAFE and the effective provision for pupils below the age of 16 and for adults in institutions which also offer education and training for young people.

Careers education and guidance

2.22 Young people need timely and effective careers education (information about the world of work) and educational and vocational guidance to help them choose a career and make a successful transition into further education, training or employment. This is particularly true when new initiatives such as those described in this White Paper are unfamiliar to them and their parents. At each stage in their transition they should have access to guidance on the choices available to them, on how these relate to their developing abilities and

personalities, and the relationship of all these factors to the world of work.

2.23 Local authorities provide this help in a number of ways:

- by the information on education, training and employment opportunities held in schools, colleges and Careers Offices
- by schools themselves, where teachers, in liaison with Careers officers, may provide programmes of careers education, sometimes integrated with personal and social development education, or with the broad curriculum
- by the Careers Service, whose Careers Officers may work with careers teachers in schools or colleges to provide individual educational and vocational guidance to students, and to arrange access to the next step, whether further education, training or work.

In Scotland, the guidance system in schools has a similar approach.

2.24 While the contribution of each professional group is important in its own right and must be of good quality, it is also important to ensure that provision is well organised and effective. For that reason the Government believes every authority should formulate a policy for educational and vocational guidance and careers education within its area, as some already do. The policy should set out the roles and responsibilities of each professional group and arrangements for ensuring co-operation. And there must be a management system to ensure effective delivery.

2.25 It would not be appropriate for central government to specify a common pattern. Nonetheless, central government can ensure that each authority establishes and maintains a policy and makes available advice on good practice. The Secretaries of State for Employment, Education and Science, and Wales therefore intend to consult educational interests, employers and others about the publication of

guidance to local education authorities in England and Wales. A similar process has begun in Scotland with the publication by the Consultative Committee on the Curriculum of "More Than Feelings of Concern" embodying wide-ranging advice which has been circulated to the Scottish education authorities.

THE EXTENSION OF THE TECHNICAL AND VOCATIONAL EDUCATION INITIATIVE
(TVEI)

The pilots

3.1 Vocational education and training after the age of 16 must build smoothly, easily and constructively on what has been learned before. The quality and effectiveness of this bridging process is being raised by TVEI. The main purpose of the Initiative has been to improve the provision of technical and vocational education for 14 to 18 year olds in a way which will widen and enrich the curriculum and prepare young people better for the world of work. The Initiative, which is administered by the MSC in close association with the Education Departments, has re-inforced moves towards the development of a broader and more relevant curriculum and closer collaboration between education and industry. It has therefore enabled many schools to take advantage of a variety of projects sponsored by the Education Departments and the Department of Trade and Industry, including British Schools Technology, School Curriculum Industry Partnership, Micros in Schools, Mini-Enterprise in Schools and the Microelectronics Education Support Unit.

3.2 The main purpose of the Initiative was to explore and test ways of organising and managing the education of 14-18 year olds across the ability range. The Government recognised that it was difficult for the management and educational lessons learned in one authority to be transferred to another directly and this is why the Initiative has been progressively extended. Each education authority has been invited to design a scheme within the broad framework of the national aims and criteria of the Initiative and within its own education strategy and priorities.

3.3 The Initiative has operated on a pilot basis. Fourteen projects were launched in September 1983; a further 48 in September 1984; and a further 12 in September 1985. There are now 74 projects in 73 authorities. If all the proposals originally submitted by education authorities for a further round of projects in 1986 are accepted, there will eventually be 103 projects in 98 education authorities.

3.4

The aims of TVEI have been:

- to attract more young people to seek the qualifications and skills which will be of direct value to them at work and to secure that more young people achieve these qualifications and skills
- to secure that young people are better equipped to enter the world of employment which will await them
- to enable young people to acquire a more direct appreciation of the practical applications of the qualifications for which they are working
- to enable young people to become accustomed to using their skills and knowledge to solve the real world problems they will meet at work
- to develop initiative, motivation and enterprise as well as problem solving skills and other aspects of personal development
- to construct an earlier bridge from education to work by giving young people the opportunity to have direct contact and training and planned worked experience with a number of local employers
- to secure close collaboration between education authorities and industry, commerce and the public services so that the curriculum has the confidence of employers.

3.5

The response from the large number of authorities concerned reflects the wide support the Initiative has received. It has released the energies, potential and commitment of many institutions, teachers and young people themselves. The pilot projects are providing invaluable experience in identifying the most effective ways in which the education of 14-18 year olds can be made more relevant

to the demands of employment and adult life.

3.6 As a result of the TVEI pilots, the curriculum is being broadened; new opportunities, choices and possibilities are being opened up for young people; and teachers involved are responding enthusiastically, while the new programmes and courses are proving popular with students. The Initiative has moreover been developed in a way which is fully consistent with the Government's policies for the school curriculum both in England and Wales and in Scotland; and the Education Departments are closely involved with the MSC in the approval process.

The national extension

3.7 It is essential to keep up the momentum. The Government has therefore decided to extend the TVEI pilots into a national scheme. The objective will be to give all young people aged 14-18 in all maintained schools and colleges access to a wider curriculum based on the lessons learned from the pilot TVEI projects. Such opportunities will be open to young people in the age group in every maintained secondary school throughout Great Britain and the school curricular and college courses will be broadened and enriched through a wide range of technical, vocational and practical programmes.

3.8 The extension will be phased. It will begin in the autumn term 1987. Proposals from authorities will be considered for support once they have been operating TVEI pilot projects for at least 3 years and the proposals will be expected to cover a five year period. The MSC will administer the extension, working closely with the Education Departments and HM Inspectorate. As at the pilot stage, each development project will be managed by the education authority concerned.

3.9 The extension will operate as follows:

- each education authority will be offered a period of 3 years in which to start the extension of its TVEI pilot, beginning with the fourth year from when its pilot began and a period

of 3 years after the start of its extension in which to bring in all its relevant schools and colleges

- for each authority the development phase may last between 5 and 8 years
- all authorities will receive details of the scheme and those which are eligible at that stage will be invited to submit development proposals (there will be a deadline for submission each year, and the number of projects starting each year will depend on the resources available)
- proposals will form the basis of negotiation with the MSC, in association with the Education Departments and HM Inspectorate
- the agreement with each education authority will be specific on the objectives and expected outcomes of each project and on the curriculum changes and enrichments to be introduced in the schools and colleges involved
- joint working between groups of schools and between schools and colleges will be strongly encouraged
- education authorities will need to satisfy the MSC that their arrangements for monitoring, managing, developing and evaluating their projects are satisfactory. Two specific requirements here will be that each scheme should have a full-time co-ordinator or director and that sufficient management capacity should exist to ensure the cohesive and cost effective development of new programmes.

3.10 It is the Government's wish that every education authority should take part in this significant new development and, in order to secure this, the Government will be inviting those 18 authorities not yet involved in TVEI to participate, initially on the basis of a contribution from Government ^{up to} of/£1 million to cover a

preparatory stage of 3 years, to be followed by full involvement.

3.11 Both the Government and the MSC have always made it plain to authorities that TVEI proposals must be of good quality. This positive requirement will remain. Support will not be given unless the proposals are of good quality.

3.12 The programme mounted under the national extension will not be restricted to a fixed cohort or group of young people. Individual authorities will be free to offer the new programmes to all students in the age group.

3.13 The MSC will need to make arrangements for monitoring the extension; for advising on project development; and for evaluating the extension. Each year, the progress of each authority's extension project will be the subject of a joint review between that authority and the MSC. The MSC will need to be satisfied that the project is being delivered effectively and in accordance with its contract with the authority concerned.

3.14 In the extension of TVEI, it will be important to ensure a sufficient supply of qualified and competent teachers in certain subjects, notably mathematics, physics, technology and business studies. The present shortage of teachers in these subjects (and particularly in mathematics, physics and technology) is discussed in a separate paper being issued by the Department of Education and Science. That paper outlines initiatives being taken by the Government as well as measures which others are being invited to consider.

3.15 The extension of TVEI will call for more extensive and systematic in-service training. TVEI has already highlighted the need for more subject specific training in areas where there is already pressure on the supply of suitably qualified teachers; and more general training in such areas as the management and implementation of the necessary range of teaching, learning, assessment and guidance techniques. The Government has therefore taken steps to increase relevant training through the scheme of TVEI-related in-service training (TRIST), for which £20 million has been provided for in 1986-87.

3.16 The present TRIST scheme will be replaced in 1987 (subject to enabling legislation) by the new scheme of grants to local authorities in England and Wales for in-service training described in "Better Schools". This scheme will ensure that the resources available for in-service training are spent on a systematic programme of training designed to meet needs of the greatest national and local priority. The arrangements in Scotland will also reflect the higher priority for in-service training which TVEI will command.

3.17 The first objective must be to make the best possible use of existing teaching resources and to support teachers with the best possible learning materials as well as with intensive in-service training. Existing education authority resources vary widely. Many authorities will need to strengthen their support services, particularly in areas of applied science and technology where specialist knowledge and equipment is not readily available. The MSC plans to encourage education authorities to collaborate in establishing a limited number of regional groups which will provide authorities, and schools and colleges within them, with joint support activities for TVEI projects. The MSC hope that 10 such regional groups will be established by spring 1987.

3.18 In addition, in submitting proposals for a TVEI extension project, the MSC will be encouraging education authorities to develop comprehensive provision for the introduction of technology into all participating schools, building on, wherever possible, the support provided by the British Schools Technology programme and the Science and Technology Regional Organisation network (the services of both of which are already available to the large majority of education authorities). In developing TVEI in this way, the MSC will also be making a contribution to the wider movement towards increased links between education and industry.

3.19 In administering the TVEI pilots, the Commission has been advised by its National Steering Group, which includes representatives of interested organisations from local and central government, industry and education. At local level, each TVEI project has been steered by a committee of representatives of all the interested groups, including industry and commerce. Similar arrangements will apply for the extension.

3.20 It is of vital importance to ensure that the curricular aspects of ^{the} TVEI extension are, from the outset, consistent with other strands of Government policy. This is clearly in the interests of every education authority, since each authority will be asked to make proposals designed to have effect within all secondary schools for which it is responsible.

3.21 A statement of curricular criteria has been drawn up by the Government based on the relevant passages of "Better Schools" and for Scotland of the Munn Report and the 16+ Action Plan. It has been prepared on the basis that the aim of the extension of TVEI is, within overall programmes of suitable breadth and balance, to promote relevance and the practical application of knowledge, skills and understanding. The statement represents curriculum objectives to which each authority's development plan should be directed, and will be sent to authorities when extension proposals are invited.

3.22 The Government has set aside £900 million over the 10 years or so of this development as its commitment, through the MSC, of additional funding for education authorities. The upper limit of what each individual education authority will be able to receive from the MSC will be related to the size of the student population in the 14-18 age group in that authority. It will also depend on the nature of its proposals - and in particular whether the proposals are judged to be cost effective and good value for money.

3.23 This additional funding will supplement what education authorities are already committing, or planning to commit, to the development of the curriculum. No specific additional contribution from education authorities will be required but it will be open to them, for example, to refocus existing resources in support of these developments, to make more cost-effective use of existing resources, and to seek support from the local community including in particular industry and commerce, the strengthening of links with whom is one of the key aims of the Initiative.

3.24 The Government is funding the extension because it recognises the fact that for each authority there will be additional

costs attaching to curriculum changes and improvements relating to TVEI and there will be additional costs for staff, equipment, running costs and in-service training and teacher development. It will be for each authority to propose what proportion of Government support it wishes to allocate to each of these and how that support will be divided between the provision of central resources and individual schools and other institutions.

3.25 The Government is making a substantial financial commitment to enable the national extension of TVEI. The extension will build on the progress made by the pilots. It will strengthen the partnership between the MSC, the Education Departments and education authorities. And it will bring about the achievement of the Government's objective that all young people in schools should have the opportunity of following a more relevant and practical curriculum leading to the achievement of recognised standards of competence and qualifications.

DEVELOPMENTS IN YOUTH TRAINING

4.1 Full-time education and training is a well-established route to vocational qualifications. It will continue to play a prominent part in the new framework of National Vocational Qualifications. The reforms and innovations in the school curriculum (including the national extension of TVEI), the examinations system and the planning, management and marketing of post-16 provision will widen choice, making learning in school and college more relevant to the needs of the modern world and, in particular, the needs of employers. They will engage and motivate young people. They will tackle head on the criticism that the school curriculum has been too academic and too little concerned with practical applications of knowledge. The Government hopes that many more young people will elect to stay on in full-time education until the age of 18 and taking advantage of these new opportunities.

4.2 But many will continue to leave school or college at age 16 or 17. For them there is now a second broad highway - the 2 year YTS. The Government has already announced that this programme of high quality training for skills will be a permanent feature of the vocational education and training system.

4.3 The 2 year YTS has now been launched by the MSC. In 1986/87 there will be nearly 460,000 training places available for young people who have left school or college. This is the highest number ever - and it spans a broader spectrum of employment than ever before. Much of what the programme is providing is new to important sectors of employment. High standards are being set from the outset. Sector training organisations and individual providers are being given every encouragement and assistance to design schemes of training which meet the highest standards and to secure them. A new tradition is being created - a "traineeship" for the 1990s and beyond. Valuable support towards the cost of the programme is being provided by the European Social Fund.

4.4 The objective is to provide a foundation of broad-based vocational education and training and planned work experience which will give every young person taking part the opportunity to obtain a

vocational qualification relating to competence in the workplace or to obtain a credit towards such a qualification. That qualification will be supported by a personal record of achievement for each young trainee.

This will record achievement in:

- competence in a job and/or a range of occupational skills
- competence in a range of transferable core skills: numeracy, communication, problem solving, practical skills, computer skills and information technology
- the ability to transfer skills and knowledge to new situations
- personal effectiveness.

4.5 Every training proposal submitted to the MSC must include the following:

- a training plan covering a 2 year period of training, showing the incidence of off-the-job training and work experience, together with information on the providers of each
- the qualifications goals
- a minimum period of off-the-job training: at least 20 weeks in the 2 year period with an expectation that at least 13 of these weeks will be in the first year
- systems for recording and reviewing achievement and progress of young trainees
- a commitment to provide the official YTS certificate to every trainee when he or she leaves the programme, together with an individual record of achievement
- details of arrangements for training in computer / and skills

information technology (many young people in training will have both hands-on experience and training off-the-job).

4.6 The Government's aim is to provide high quality training for all young people taking part and to ensure that those undertaking it can be confident in its quality. Accordingly, every young person in training will have a training agreement. The training agreement sets out the nature and objectives of the training to be undertaken, together with a programme for that training. It provides for the training to be carried out by competent instructors and supervisors and ensures that the young person is properly protected so far as safety and health at work are concerned. It ensures that the young trainee is clear about his or her remuneration, holiday entitlement, grievance procedures and access to guidance or help. And it explains the need for the trainee to follow the agreed programme, to attend at the due times and to maintain responsible standards of behaviour.

4.7 Every young trainee receives a weekly allowance, from which there are no deductions for tax or national insurance. The allowance is £27.30 in the first year of training and £35 in the second year. The aim is, in time, to relate progression from the lower to the higher level of allowance to the achievement of the young person while in training.

4.8 The new 2 year YTS is designed for 16 and 17 year old school and college leavers, whether they are employed or unemployed. 16 year old leavers are eligible for 2 years' training and 17 year old leavers for one year's training. There are special arrangements concerning eligibility and duration of training for disabled young people and some other special groups. YTS already carries an undertaking by the Government that all 16 year old school leavers who remain unemployed will be offered a suitable place by Christmas of the year they left school, and this undertaking has been substantially met in each of the first 3 years of YTS, as a result of the efforts of training providers, the MSC and the Careers Service. When announcing the 2 year programme last year, the Government said that the new programme would begin with a continuation of the existing guarantee of a

one year place to all unemployed 16 year old leavers. The Government has now reviewed the position and, after taking into account the positive response of employers and other providers (already all the places needed for 2 year YTS this year have been offered to the MSC), has decided to extend its guarantee by undertaking that all 16 year old school leavers who remain without a job after leaving school will be offered a suitable 2 year place by Christmas of the year they leave school. This will begin this year. It remains the Government's target to extend further its guarantee later to cover the provision of a one year place for all unemployed 17 year old leavers.

4.9 From the beginning, the greatest attention is being paid to the quality, design and content of the training programme. From 1 April 1988 no organisation will be able to continue to provide training under YTS unless it has secured the status of an Approved Training Organisation. These organisations will have to satisfy important criteria, whose purpose is to ensure high calibre and competent training throughout the programme. The criteria are that the organisation has:

- the ability to devise a 2 year programme of training in accordance with the YTS design framework
- previous satisfactory experience in training
- sufficient resources, particularly of staff, to enable the training offered to be satisfactorily delivered
- clear policies and practices covering the selection, briefing and development of adults involved in its YTS scheme
- suitable and safe premises and equipment
- regular, systematic and correct assessments of trainee performance and achievements
- effective means of keeping its training programmes under review

- a positive commitment to equal opportunities regardless of sex, race, physical or mental disability
- a positive commitment to health and safety
- financial resources to enable it to carry out its obligations.

4.10 These criteria set quite new standards for the provision of training in this country. They are intended to achieve a quality in the training opportunities available to young school leavers which is the equal of anything found in our competitors overseas.

4.11 To assist in meeting this aim, the MSC is now establishing a new Training Standards Advisory Service. It will monitor performance; it will sample training programmes to ensure that the quality of the training process is being sustained; it will assist in the spreading of information and best practice; and it will assist in the process of awarding Approved Training Organisation status. It will closely coordinate its work with HMI. Its independence and ability to report as it finds will be protected.

4.12 Criteria for content and design of the 2 year YTS have already been laid down. Much work is already in hand in devising training standards in sectors of industry and commerce. Over the last few months, the MSC has published 8 illustrative schemes, drawn up in consultation with the sectors concerned, which outline the possible elements of a 2 year training programme. They cover:

- clerical, administrative and office service occupations
- the distribution industry, retail and wholesale
- agriculture and horticulture
- the community and health care industry

- the hairdressing craft
- carpentry and joinery
- the hotel and catering industry
- the leisure industry.

And, in addition, draft standards have been issued for 17 construction occupations, for 9 engineering skill areas and for the knitting and lace and hose industries.

4.13 The Government regards as particularly important the aim that every YTS trainee should have the opportunity to gain a recognised qualification or a credit towards one. It welcomes therefore the establishment of the YTS Certification Board, whose nature and work is described in part 5. The Board will need to take account of all the developments on qualifications referred to in this White Paper.

4.14 High quality vocational education and training is therefore now becoming available to all school and college leavers under 18. The systematic, work-related training which was available in the past only to a minority of young people (mainly men) through apprenticeships will in future be available to all of them. And the old approach of training to perform only an immediate and limited job will be replaced by training for in-depth competence suited to whatever sector or occupational groups the young trainee may enter.

4.15 The Government has been impressed by the commitment of all concerned to make 2 year YTS a success. Introducing the programme has not been without difficulty for some providers and the Government recognises, in particular, the problems of transition. But success and achievement lie within our grasp and the Government intends fully to honour its commitment to the programme's success.

PART 5

REFORMING THE STRUCTURE OF VOCATIONAL QUALIFICATIONS

5.1 Qualifications and high standards are not luxuries - they are necessities, central to securing a workforce, and individuals within it, recognised as competent and adaptable. Our economic performance and individual job satisfaction both depend on maintaining and improving standards of performance. This applies from the board room to the shop floor; and at the hotel reception desk as much as in the workshop and it applies as much to adults training and retraining as to young people starting off. But standards need to be defined and achievement of them recognised in a way which is widely understood. That is the role of the vocational qualifications system - which must test and record not just knowledge and understanding but also skills and competence in applying such knowledge. And it must do so in a way which encourages individuals to build on qualifications and to fulfil their potential and stimulates employers to give full recognition for qualifications earned, and therefore standards achieved. That is why the Government regards the reform of the present haphazard pattern of vocational qualifications in England and Wales as being vital, and why it has decided to act immediately to implement the main recommendations of the Review of Vocational Qualifications.

The Review of Vocational Qualifications

5.2 A year ago, the Government established a Review of Vocational Qualifications in England and Wales under the chairmanship of Mr H G De Ville, CBE. The Group included representatives of employers, employees, examining and validating bodies, other training and education interests and some of the professions. The Group's terms of reference were:

- to recommend a structure of vocational qualifications in England and Wales 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 progression to higher education and professional qualifications
- . allows for the certification of education, training and work experience within an integrated programme

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

5.3 The Review Group has now reported* unanimously after extensive consultation in England and Wales. From these consultations and the work of the Group five major priorities emerged:

- more better qualified people are needed;
- action must be taken to reduce the confusion of the present qualifications system
- we need to bridge the unhelpful divide between the so called "academic and the so called "vocational" qualification
- vocational qualifications need to relate more directly and clearly to competence required (and acquired) in work
- we should try to build on what is good in present practice.

5.4 The report recognised important strengths which should be

*Review of Vocational Qualifications in England and Wales, a report by the Working Group - Published by HMSO May 1986

preserved and built on but highlights major weaknesses which must be rectified. They include:

- no clear and readily understood pattern of provision
- considerable overlap and duplication
- gaps in provision
- many barriers to access to qualifications and inadequate arrangements for progression and transfer of credit
- assessment methods which are biased towards the testing of knowledge rather than skill or competence
- insufficient recognition of learning gained outside formal education and training

Because of these defects there is limited take up of vocational qualifications. The 1984 Labour Force Survey showed that more than 40% of the workforce at all levels had no recognised qualification in the range from Certificate of Secondary Education (CSE) and O level to HND and degree level.

5.5 In its interim report, which the Government fully endorsed, the Group set out objectives for an improved system of vocational qualifications. These were that:

- the main objective should be to develop a clear, coherent and comprehensive system of vocational qualifications, based on the assessment of competence directly relevant to the needs of employment and the needs of the individual

- the more specific objective should be to develop a system which is comprehensible, relevant, credible, accessible and cost effective.

5.6 To achieve these objectives the Group in its final report recommended that

- vocational qualifications in England and Wales should be brought within a new national framework to be called the National Vocational Qualification (NVQ)
- a new National Council for Vocational Qualification (NCVQ) should be set up to implement change, to develop the framework of national qualifications and to ensure standards to competence are set.

5.7 The Government accepts these recommendations and urgent action to implement them is now in hand for England and Wales, and for Northern Ireland which the Secretary of State for Northern Ireland has now decided should be embraced by the Council's responsibilities. The Review Group's remit did not apply to Scotland and for the time being the framework and the Council will not apply there because of the significant progress which had already been made there on the comprehensive reform of vocational qualifications under the 16+ Action Plan. The Government recognise however, the need to secure mutual recognition of equivalent vocational qualifications obtained under the different certification and assessment arrangements which would apply in Scotland and the rest of the United Kingdom, and there will be close working relationships between the NCVQ and Scottish interests. The Secretary of State for Scotland will consider in 2 or 3 years time whether there should be any formal change in the relationship between the NCVQ and Scotland.

The new national framework

5.8 The Government accepts the recommendation that the new national framework should be called the National Vocational Qualification (NVQ) and that this framework should be designed to incorporate and embrace levels of

awards up to and including the higher levels of professional qualifications.

5.9 The Review Group suggested that the first four levels of the NVQ should be based on the following descriptions of standards of achievement:-

Level I

Occupational competence in performing a range of tasks under supervision

Level II

Occupational competence in performing a wider, more demanding range of tasks with limited supervision

Level III

Occupational competence required for satisfactory responsible performance in a defined occupation or range of jobs

Level IV

Competence to design and specify defined tasks, products and processes and to accept responsibility for the work of others.

5.10 The report recognises that the concept of levels across the whole span of vocational qualifications will be complex and difficult to work out in practice, and that these definitions may need refining, but the Government accepts them as a basis for further consultation and action.

Professional qualifications

5.11 It will also be necessary to reflect that in some professions competence will be needed at degree level and above. The Review Group acknowledged that it had not had time to consider or make precise recommendations beyond Level IV but thought that this structure might include one or more levels, to include the higher levels of professional qualifications. Only a few professional bodies could be directly represented on the Review Group and indeed part of the problem is that there are some 250 professional bodies which examine and award qualifications at varying levels. The Government therefore believes that

the National Council should be entitled to expect the full cooperation and commitment of professional bodies in getting all appropriate qualifications (ie those below degree level) and part qualifications into levels I-IV of the National Vocational Qualification framework by the time it is established in 1991. The Government will ask the National Council to open early discussions with the professional bodies to achieve that.

5.12 The Government is aware that there has been some initial anxiety about the extension of the framework above Level IV and the way in which the Council's activities might relate to the responsibilities of bodies concerned with entry to professions at degree level or above. However, in the Government's view it is essential that the National Vocational Qualification levels should be progressive and should enable the individual to proceed to, and progress in, professional qualification of all kinds. This will clearly take time and the Government will invite the new National Council to consult the appropriate professional and other bodies, on how higher levels of professional qualifications can best be articulated with the proposed NVQ framework, and to report back to the Government on its proposals in the light of the consultations.

Timetable for levels I-IV

5.13 The initial priority must be to secure and put in place levels I-IV to cover the range of achievement from the Certificate of Pre-Vocational Education (CPVE) and YTS up to and including Higher National awards and equivalents, including appropriate awards of the professional bodies. The Review Group believed that urgent action is necessary, and recommended that the aim should be to have the new framework fully operational for levels I-IV by 1991. The Government fully endorses this aim. It is essential that rapid progress is made if we are to make our arrangements for work-related learning as effective as those of our overseas competitors - The Government hopes that the design criteria will be agreed by the Council and the first accreditations (see ^{para 5.35} below) completed, by the summer of 1987.

A new National Council for Vocational Qualifications

5.14 There are so many interests involved in rationalising the

present structure that we need an engine of change independent of existing interests. The Government has therefore accepted the recommendation to establish a new National Council for Vocational Qualifications (NCVQ). Its task will be to implement, or to secure action to implement, the framework of National Vocational Qualifications (NCVQ)

5.15 Within these general responsibilities the Government is setting the National Council nine specific tasks. They are to

- 1 identify and bring about the changes necessary to achieve the specification and implementation of standards of occupational competence to meet the needs of the full range of employment, including the needs of the self-employed
- 2 design, monitor and adapt as necessary the new framework for National Vocational Qualifications;
- 3 secure the implementation of that framework by accrediting the provision of approved certifying bodies
- 4 secure comprehensive provision of vocational qualifications by the certifying bodies
- 5 secure arrangements for quality assurance
- 6 maintain effective liaison with those bodies having responsibilities for qualifications which give entry to, and progression within and from, the system of vocational qualifications into higher education and the higher levels of professional body qualifications
- 7 collect, analyse and make available information on

vocational qualifications and secure the operations of an effective, comprehensive and dependable data base

8 undertake or arrange to be undertaken research and development where necessary to discharge these functions, and

9 promote the interests of vocational education and training and, in particular, of vocational qualifications and to disseminate good practice.

5.16 The National Council will not itself be an examining or a validating body. It will, however, develop policy for the system as a whole, negotiate to achieve the stated objectives from the system and accredit qualifications of bodies offering awards within the national framework. It will work very closely with standard setting and certifying bodies - and they will need to work with the National Council. Qualifications approved for the NVQ will receive the insignia and endorsement of the National Council.

5.17 Thus existing bodies will continue to issue their own qualifications and if they meet NVQ standards they will be endorsed by the Council confirming that they are deemed to be a qualification meeting its requirements including giving proper recognition to skills and competence as well as knowledge and understanding, and taking account of experience and competence in the workplace. The NCVQ will assign the qualification to the appropriate level. Accreditation will be for a maximum of 5 years, and it is likely that as the system gets under way initial accreditation may be for little more than a year or two, to allow for changes in emphasis as the NVQ framework develops.

Chairmanship and Members of the Council

5.18 The Chairman and members of the National Council will be appointed initially for a 3 year period, with the possibility of re-appointment for further terms. The Chairman will not be someone directly involved in the certification of vocational education and

training. The members of the Council will be appointed on a personal basis, in the light of their knowledge and the needs of employers and employees and of vocational education and training practice. They will include employers, trade unionists, providers of education and training and those with direct experience of the work of the major certifying bodies.

Ministerial arrangements

5.19 There will, be a continuing Government concern with the influence of the Council's work upon education, training and employment policy and there will be an initial Government contribution to its funding. The Council will be sponsored jointly by the Secretaries of State for Employment, for Education and Science, for Northern Ireland and for Wales. The Secretary of State for Employment will have the lead responsibility for day to day financial and administrative matters and for issues spanning the functions of all the Secretaries of State involved, with whom he will work in close consultation. The Council will also maintain close links with the Education Departments of England and Wales and Northern Ireland and the Ministers concerned will deal direct with it on matters within their responsibilities. The Council and the MSC will also work closely together. The Secretary of State for Scotland will keep in close touch with the work of the Council (see ^{para} 5.7 above) and the Council will maintain close liaison with Scottish vocational education and training interests.

Administrative and financial arrangements

5.20 The NCVQ will be appointed by the Autumn. It will be set up under the Companies Acts as a company limited by guarantee. The Review Group estimated that it would have a staff of 65-70 and a basic annual budget in the initial years of some £3m. It suggested that there should be initial Government pump priming funding for up to 5 years, but increasingly the Council would be funded by charges levied for its services, principally on those bodies where qualifications were recognised for incorporation in the NVQ framework. The Government accepts this broad approach subject to detailed approval of staffing and funding proposals and the NCVQ aiming to become self sufficient for normal running costs by the beginning of 1990/91, in which year the full NVQ framework on levels I to IV should be becoming operational.

Standard setting

5.21 Arrangements for standard setting and assessment also need improvement. The first task must be to develop dependable arrangements for specifying standards of competence across all occupations. And the second must be to ensure that vocational qualifications incorporate those standards. Present arrangements are not satisfactory for these purposes and important changes are needed.

5.22 The Government will look to the National Council working closely with the MSC and industry interests concerned, and in association with education interests, to establish a clear focus for national action to secure the specification of standards of competence by effective and appropriate industry bodies. Comprehensive coverage of industry and commerce and of every occupational grouping must be the objective.

5.23 Machinery to do this is not yet well developed across all sectors of employment. The Government will expect statutory and non-statutory industry training organisations to draw up a timetabled plan of action to secure that, in each sector for which they are responsible:

- procedures exist by which the sector's skill requirements and training needs can be securely defined and periodically reviewed
- arrangements are made for setting and maintenance of standards, and for progression between standards
- arrangements exist for assessing and crediting learning achievements
- relevant vocational education and training provision is kept up to date
- adequate systems for, and access to, vocational education are in place.

5.24 In pursuing these matters, the NCVQ and the MSC will need to pay particular attention to three priorities:

- that there is comprehensive coverage across all employment sectors
- that occupational needs are met when these relate

to more than one industry sector

- that arrangements are made to deal effectively with newly emerging occupations and industries.

5.25 The Government is therefore asking the Manpower Services Commission to take the lead in stimulating industry training organisations to draw up their individual action plans, and is asking the Commission to report back on progress to Ministers and to the Council not later than April 1987.

5.26 The Government will expect the National Council also to ensure that qualifications are more informative and especially that they indicate the competence of the individual. It is therefore essential to ensure a workable and effective system for credit recognition and transfer and for practical assessments of competence. A priority here is developing and securing a system to enable people to gain credit for performance in skills and competence tests carried out in industry.

Skills testing

5.27 Skills testing is only one aspect of the assurance of competence, but it is an important one, for which existing opportunities in some sectors are limited; and the Government would like to see skills testing facilities within easy reach and readily accessible. This does not necessarily mean more bricks and mortar or more institutions; what is needed is a network involving existing work places, the Skillcentres, colleges of further education, group training organisations and Industry Training Board or Industrial Training Organisation centres. The Review Group recommended that access to skills testing facilities should be more readily available than at present, and that the NCVQ should prepare proposals for, and secure the implementation of, a substantial extension of skills testing facilities. The Government is in principle sympathetic to the case for such an extension which it believes should be self financing, reflecting the willingness of the market to pay for skills testing services. It will therefore invite the NCVQ to consult widely and report back to the Government on how self financing skills testing may be extended consistent with the Council's plan for the development of the NVQ framework.

Links between NVQ and YTS

5.28 Linkages and progression will be prime concerns for the new National Council. Most immediately, there must be a clear and close

linkage and integration of the many qualifications and credits which can be obtained under the under the two year YTS.

5.29 Following the interim report of the Review of Vocational Qualifications, the Manpower Services Commission established a YTS Certification Board which includes employers and training providers from the City and Guilds of London Institute, the Business and Technician Education Council, the Royal Society of Arts and the Scottish Vocational Education Council. At present this Board serves - and for a while will continue to serve - 5 important purposes:

- coherence in the development of standard setting and ensuring adequate assessment arrangements for YTS trainees
- facilitating negotiation of credit transfers and recognition of qualifications obtained through YTS for progression within and from YTS
- ensuring comprehensive coverage for YTS trainees by region, occupational sector and level of achievement
- establishing recognition for vocational qualifications relevant to the needs of YTS
- acting as a focus for all national examining bodies in Great Britain.

5.30 The Manpower Services Commission will need to review with the National Council and the Scottish interests the future of this Board. There is a strong case for subsuming the Board within the National Council from an early date, but it is unclear for how long a separate focus for YTS will remain desirable. It is clear, however, that, from the outset, assessments within YTS should come within the general framework of the National Vocational Qualifications and the counterpart National Certificate in Scotland.

Links between NCVQ and education

5.31 A second important linkage for the National Council will be with the Secondary Examinations Council in England and Wales. It will be essential to establish linkages and progression between the new framework and the new GCSE and A levels - an issue which may increasingly arise with YTS as well as within full-time education. The new National Vocational Qualification framework should also take account of the Certificate of Pre-Vocational Education (CPVE) development. Appropriate combinations of CPVE preparatory modules might equate with, or contribute to, Level I of the National Vocational Qualification and could constitute an important route to attainment at that level, with full or part-time education or within YTS.

5.32 Finally, there is the question of progression to higher education and higher level professional qualifications. It is important that, as the vocational education and training system is developed, appropriate recognition should be given to vocational qualifications for entry to, and progression within, higher education and higher level professional qualifications. Unnecessary barriers to entry should be removed. Routes of progression and the standards of achievement in professional qualifications should be clearly stated. And the learning needs of adults should be recognised and met.

5.33 The Government therefore believes that, from the outset, there should be recognition of the National Vocational Qualification at appropriate levels in entry procedures and regulations for degree courses and for entry to professions (see ^{paras} 5.11 and 5.12 above).

Timetable and promotion

5.34 The National Council has a major task. If it is to make swift progress of the kind that is needed it must have a clear timetable and what it is doing must be underpinned by the collection, analysis and dissemination of authoritative information.

5.35 The National Council will be appointed and operational by the autumn of 1986. It should seek to agree and promulgate design criteria for the National Vocational Qualification early in 1987. It should complete

its first accreditations not later than the Summer of that year. And we look to the National Council to have the first four levels of the new framework fully in place by 1991.

5.36 We hope, given the unanimity of the report of the Review of Vocational Qualifications and the wide range of interests represented on it, that it will be possible for the National Council to secure these objectives by voluntary means with the cooperation of established interests. But the Government will not hesitate to act should it appear that legislation is necessary to make the new NVQ framework effective.

5.37 There is a clear need for a national data base of vocational qualifications to assist the National Council in its task of designing, monitoring and adapting the new framework and to help users understand that system. And access to that data base needs to be as widely available as possible. The aim should be to establish the data base within a year of establishment of the National Council.

5.38 Finally, the National Council needs to tell all - individuals, employers, providers alike - what it is doing and why. We therefore expect the National Council to undertake at an appropriate time a major promotional campaign to generate awareness and understanding of the National Vocational Qualification and the benefits to individual, employers and country alike of increasing vocational education, training and competence.

Conclusion

5.39 The National Council and the NVQ are about improving qualifications and standards: standards of performance, of reliability and of quality. It is these which will make the critical difference to the design of British products and services, their delivery, after sales service and maintenance, customer relations and marketing and, not least, management. In the past we have paid too little attention to standards and our expectations have been too low. We need to raise minimum standards all round and pursue and expect success and demonstrated achievement.

5.40 That will help everyone. Employers will know what individuals can do. Trainees will have something for which to strive. We shall cut out time spent going back over ground already traversed. We shall open up routes forward which were not open before. Above all we shall come to value quality and excellence, take pride in achievement and realise that the process of learning is life long and that there are ladders of opportunity open to everyone at every point in life.

DEVELOPMENTS IN NORTHERN IRELAND

6.1 The aims and objectives stated in this White Paper apply in principle in Northern Ireland as they do to the rest of the United Kingdom. The action in part 5 concerning the new structure of vocational qualifications applies directly to Northern Ireland, and account will be taken in the administration of the new structure of any adjustments which may be necessary to cater for the particular institutional and organisational arrangements which exist there. As already stated, the Secretary of State for Northern Ireland will be a sponsor of the National Council for Vocational Qualifications.

6.2. However, while Northern Ireland subscribes to a national structure of qualifications, it has traditionally operated distinctive educational and youth training systems. For that reason, curricular and youth training developments will be pursued in the context of those local systems.

6.3. For those in full-time education in Northern Ireland, there are a number of initiatives in curriculum and assessment which parallel, link or subsume those developments planned for the rest of the United Kingdom. In particular the aims, criteria and principles of TVEI are compatible with those of the 11-16 Curriculum Review and Development Programme in Northern Ireland. There is therefore already in place a framework for change and development in schools within which TVEI principles can be considered by schools and adapted to suit local circumstances. The uptake of good practice identified within TVEI could be promoted effectively in the context of the whole curriculum.

6.4. Since its launch in 1982 the Youth Training Programme in Northern Ireland has offered two years of training to minimum age school leavers. It is managed and delivered by an effective partnership of the Departments of Economic Development and Education which ensures a well-integrated and balanced provision designed to assist young people to make the transition from school to adult working life.

6.5. It is the intention to build on this firm foundation of

vocational preparation provided under the Youth Training Programme and to concentrate on:

- the enhancement of quality, including staff development
- the promotion of the concept of open routes and clear progression
- the delivery of relevant training linked to opportunities to work for nationally recognised qualifications
- the expansion of training provision, particularly in the second year of the Programme, to enable the Government's objectives in regard to guarantees (to which reference is made in part 4 of this White Paper) to be delivered in Northern Ireland.

6.6. Work is already in hand in Northern Ireland to lay the foundations for a greater coherence in the whole range of vocational education and training programmes for those aged 14 to 18. On the basis that better integration and progression can be achieved from such foundations and by full participation in the national development of a new vocational qualifications system, Northern Ireland should be able to build a more buoyant economy through the development of its young people into the skilled and flexible workforce so necessary for the future.

SUMMING UP

7.1 In "A New Training Initiative: A Programme for Action" published in 1981 the Government endorsed the Manpower Services Commission's New Training Initiative with three major national objectives for achievement in the decade. It also announced the setting aside of resources for a new Youth Training Scheme, the development of the Open Tech Programme, the setting of a target date for the completion of the modernisation and development of apprenticeship and other long term training programmes and the development of new approaches to secure more vocationally relevant provision in full-time education and closer links between education and training services and industry in localities.

7.2 In "Training for Jobs" published in 1984 the Government recorded significant developments in vocational education in schools, including its Technical and Vocational Education Initiative. At the same time the Government announced its Adult Training Strategy and significant new arrangements concerning vocational education in the further education sector.

7.3 In "Better Schools" published last year the Government set out its policies for improving the contribution of schools in England and Wales to the preparation of young people for working life.

7.4 In "Education and Training for Young People" also published last year the Government announced the development of YTS as a permanent feature of the vocational education and training system, offering two years of high quality training for school leavers leading to recognised qualifications. It also announced the establishment of the Review of Vocational Qualifications.

7.5 In this White Paper, the Government has carried forward the development of the vocational education and training system. In particular it has announced:

- significant developments in full-time education aimed at raising standards at all levels of ability, giving all young people a broad competence and improving effectiveness and efficiency
- the extension nationally of the lessons and opportunities learned in the pilot Technical and Vocational Education Initiative projects and the commitment of a total of £900m to education authorities for this purpose
- the ways in which the 2 year YTS is being developed as a high quality programme
- the introduction, by 1991, of a new framework of National Vocational Qualifications in England, Wales and Northern Ireland to embrace all existing vocational qualifications
- the establishment later this year of a National Council for Vocational Qualifications to act as a focus for development of the NVQ framework.

7.6 These developments show the increasing interrelationship between education and training policies to which the Government is committed. The success of these policies will require a sustained effort by all concerned. There is no magic wand that can be waved to transform the situation overnight. The Government does not claim that there is. But if we all aim for the objectives set out in this White Paper and pull together to achieve them we shall begin to earn the dividend which investment in learning will bring. There are few areas of national life more important to the future of our economy, our society, our people and our families.



C/BC

B/F 18/6

Ref. A086/1700

PRIME MINISTERThe Proposed National Council for Vocational Qualifications

I have seen a copy of Lord Young's minute to you of 9 June proposing the creation of a new National Council for Vocational Qualifications. The new body would be sponsored by four separate Secretaries of State, and the annex to Lord Young's minute indicates where responsibility would lie in particular day-to-day circumstances. While these arrangements are rather complex I think they can be made to work.

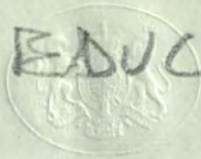
2. There may be some in the educational establishment who will argue that the functions of the new body would indicate that the lead responsibility for it within Government should lie with the Department of Education and Science rather than the Department of Employment. If so, it could be pointed out that the close DES interest is recognised by the central role proposed for Mr Patten, and that overall the functions are at least as close to training (Department of Employment) as to education (DES). The need for joint sponsorship of the new body may however be seen by some as a further argument in favour of creating a Department of Education and Training which, subject to territorial interests, could take sole responsibility for such initiatives.

RA

ROBERT ARMSTRONG

13 June 1986

TVEI : EDUCATION A2



COMMISSION



DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH

TELEPHONE 01-934 9000

FROM THE SECRETARY OF STATE

The Rt Hon John MacGregor OBE MP
 Chief Secretary of the Treasury
 Parliament Street
 LONDON SW1P 3AG

11 June 1986

Mr. Mm.

TVEI EXTENSION

- Prime Minister 2*
A number of colleagues, including Mr Tebbit, have written in favour of an early extension of TVEI. No need to read. DW 11/6
1. I am writing to confirm my strong support for the proposals in David Young's letter of 30 May for an extension of TVEI from September 1987.
 2. TVEI is a key element in our policies for raising standards set out in the White Paper "Better Schools". It supports the drive for greater relevance in the curriculum and for better teaching and is helping our effort to get more pupils, particularly girls, adequately prepared for a technological world. The pilot projects show that we have found an effective way of securing change. This approach has wide support throughout the education service. I am in no doubt that we must extend TVEI to profit from the momentum we have generated. The extension will also be compelling evidence of the Government's commitment to seeing standards raised in schools and to relating education more directly to adult and working life.
 3. I agree with David that we must settle funding and timing quickly. The level of financial support which David now suggests offers a soundly based prospect of a successful and cost-effective national scheme. It amounts to an average of £30,000 per school - which compares with £80,000 in the pilot phase. We can just defend that difference but anything less than £30,000 would not in my judgment suffice to support the requirements and criteria which ought to inform the TVEI extension; LEAs would either have to refuse it, or compromise on standards.
 4. An early announcement in the proposed White Paper is in my view essential. If the LEAs are to prepare and implement plans to extend the lessons of the TVEI progressively over as many as possible of their secondary schools and FE colleges, they will need adequate time. We were criticised over the original

Continued...

introduction of TVEI for having allowed too little time for LEAs to do their planning. HMI has confirmed that inadequate advance preparation led to some ill-considered provision; we do not want to repeat this mistake. To delay the announcement until the autumn puts at risk a good and orderly start in September. We shall get less value for money as a result.

5. Adequate staff development will be vital to the success of the new scheme. We shall shortly be discussing in E(LA) my proposals for the level of local authority expenditure on in-service training and the amount of specific grant that should be available in 1987-88. Our new arrangements for in-service training must take account of our commitment to training in the subject areas and teaching approaches at which the TVEI is aimed.

6. I am sending copies of this letter to the Prime Minister, the Chancellor of the Duchy of Lancaster, the Secretary of State for Employment, the Secretary of State for the Environment, the Secretary of State for Trade and Industry and the Secretaries of State for Scotland and Wales.

Herbert

Kenneth

Education
TUE 1
PT 2





SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

The Rt Hon Lord Young of Graffham
Secretary of State for Employment
Caxton House
Tothill Street
LONDON
SW1H 9NF

11 June 1986

NBM

Dear David,

TVEI EXTENSION

FILE WITH DN

Thank you for copying to me your letter of 30 May to John MacGregor seeking his agreement to your proposal to extend TVEI from its present pilot phase to a full national programme beginning in September 1987.

I should like to make clear my strong support for what you propose. Although it is too early for there to be any results from formal evaluation, it is already clear from the pilot projects so far in operation in Scotland that TVEI has significant benefits in particular for the pupils themselves. It is consistent with the changes in the curriculum and examinations we are implementing in Scotland and reflects our commitment to improving the relevance and effectiveness of education for pupils, especially in the 14-18 age group. I believe the kind of scheme that you are now proposing arising from the deliberations of the official Working Group, has great potential for supporting the effective implementation of our aims for improving education.

It has to be recognised of course that the level of direct additional Government funding has been a key factor in the success of the TVEI pilot schemes so far against a background of tightly constrained local authority expenditure and serious discontent among teachers. I agree strongly with you therefore that an extended TVEI scheme must continue to be funded directly by the MSC at a credible level and I fully accept your judgement that an average level of £30,000 per school is likely to prove the minimum figure consistent with delivering a cost-effective scheme that meets the priorities we aim to set for it. I am sure you are right to suggest that basing the figure on £20,000 per school would be a highly risky strategy in the light of the possible reaction both of local authorities and of teachers. We do not wish to put the Government's initiative at risk by under-funding it nor do we wish to imply to local authorities (whose expenditure we are seeking to contain) that they should have to top up the MSC funding which is outside their guidelines.

As far as the effect on other MSC programmes is concerned, I see no useful alternative to your proposal to freeze the YTS basic grant and managing agent's fee meantime so as to find the requisite initial savings and recognise that the difficulties in forecasting expenditure on the new 2 year YTS mean that other longer term avenues cannot sensibly be explored at this stage. I would find it very helpful to be kept fully in touch with emerging proposals for the further savings which seem likely to be necessary.

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I have no doubt there will be an adverse reaction to the reduction in the funds available for YTS. I do not think however that we should allow the, I believe, short term disbenefits stemming from that source to discourage us from a policy which can sensibly be represented, on the one hand, as putting more of the financial responsibility for training onto the employers, where it belongs, and on the other of widening the opportunities for young people to acquire education and training suited to their and the country's needs.

You will appreciate I am sure that we will need to continue to be fully involved in the development and presentation of these proposals. The extension of TVEI from a limited pilot phase to the involvement of all schools in participating authorities areas will be seen as a major departure and a considerable extension of MSC influence within education. It is therefore essential that the consistency between TVEI objectives for the curriculum and those of education departments and the partnership between the education departments and the MSC in managing TVEI, should be stressed.

I am copying this letter to the Prime Minister, Norman Tebbit, Paul Channon, Kenneth Baker, John MacGregor and Nicholas Edwards.

Yours ever,
Malcolm

MALCOLM RIFKIND



EDUCATION

TUE 1

PT 2



cc 137



I am absolutely
horrified. This is a

Prime Minister!
Content with these

PRIME MINISTER

Quarrels to cut
all quarrels. It needs arrangements?
like the reputation of humanity
we have needed in 7 years! DOW

THE PROPOSED NATIONAL COUNCIL FOR VOCATIONAL QUALIFICATIONS 19/6.

at Hay

1. The Working Group on the Review of Vocational Qualifications in England and Wales submitted its recommendations to Ministers on 23 April. Their report was published on 8 May. This minute seeks your agreement to the Group's proposal to set up a new body overseeing vocational qualifications and to the arrangements I have discussed with colleagues most immediately concerned for its accountability to Ministers. A detailed note of the way in which the arrangements will operate is provided in the Annex to this minute.

2. As you know we regard the Working Group as having a central role in helping us tackle the confusion surrounding vocational qualifications in this country - confusion which I am sure is holding back our ability to compete on equal terms with overseas economies.

3. The Working Group have not let us down; their recommendations are relevant, cogent and unanimous. They propose:-

- (a) a new framework of vocational qualifications to classify and streamline work-related qualifications into probably no more than 5 levels related to occupation;



- (b) a crash programme to have the new framework fully in place by 1991;
- (c) a National Council for Vocational Qualifications (NCVQ) which should be set up by this autumn. The National Council will provide a sharp national focus for reform of the present system and subsequently for maintenance of the new framework. It will be the mechanism by which the desired changes can be brought about.

We have a few reservations on points of detail and emphasis in the recommendations but none on the broad principles of the need for a new body and for the new framework.

4. I have discussed with colleagues what form the National Council should take, and we are all agreed that it should be a separate independent body. We have considered whether the creation of the NCVQ should result in the demise of any other body but we have concluded that it should not, for the present at least, although Kenneth Baker will be considering urgently the future position of the Further Education Unit. We have also considered whether the NCVQ should be established on a statutory basis. Our timetable would not allow this but in any event I am doubtful about the need to enshrine the body in statute, especially as we shall be aiming for it to becoming largely self supporting financially after its first 3 years. We therefore propose to establish the NCVQ as a company limited by guarantee, and we will keep under consideration, in the light of the way the NCVQ develops, its possible conversion to a statutory basis.



5. We are therefore agreed that the NCVQ should be a non-Departmental public body sponsored jointly by the Secretaries of State for Education and Science, Employment, Northern Ireland and Wales. Without prejudice to future arrangements, Malcolm Rifkind believes that, for the present, it is desirable for the Scots to complete their own vocational education and training developments before considering whether to seek a place under the national umbrella. In a number of ways they are ahead of us and we do not wish to impede their progress. We both recognise the need to maintain close working relationships between Scotland and elsewhere in the United Kingdom, and to this end we propose to have someone from Scotland on the Council and for there to be a close association between the Council itself and those Departments, including the Scottish Office, having a direct concern in its activities.

6. Although Northern Ireland was not formally included within the terms of reference of the Review Group, Northern Ireland officials were associated with it, and Tom King has said that he would wish its remit to extend also to Northern Ireland. We welcome this.

7. The National Council will consist of around 15 members, appointed by Ministers, and a staff of 65 to 70. Its basic annual expenditure will be in the region of £3m, but after an initial period of 3 years we expect it to be largely self-financing. The Council will be a company limited by guarantee and will charge for its services, levying a fee on those bodies to whose qualifications it awards its national seal of approval.



8. The Council will have a wide measure of autonomy. There will at the same time be a continuing Government concern with the influence of its work upon education, training, and employment policy, and an initial Government contribution on its funding. In reflecting these Government interests, it is proposed that the Secretary of State for Employment will as a matter of convenience have the lead responsibility for day to day financial and administrative matters and for issues spanning the functions of all the Secretaries of State.

7? 9. It has been agreed that, on behalf of the Secretary of State for Education and Science, the Minister of State (Mr Patten) will have a central role reflecting a special responsibility for considering the effects of the Council's work on the education system. The Council will also maintain close links with the Manpower Services Commission as the body responsible for the major Government programmes in the field of vocational training.

10. The Government's contribution to the Council's costs during its setting up and initial 3 years should, we believe, be made by annual grant in aid from the Secretary of State for Employment. To reflect their shared responsibilities, all the Secretaries of State concerned will contribute from their votes towards the grant in aid.

11. We firmly believe that urgent action is necessary to achieve effective reform of our work-related qualifications system, and seek your agreement to our proposals for the new National Council. Subject to agreeing financial arrangements with the Chief Secretary and other colleagues, I hope to be

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able to announce our acceptance of the principle of a National Council in my forthcoming White Paper and to have the Council established in the Autumn of this year.

12. I am copying this minute to Willie Whitelaw, Kenneth Baker, Malcolm Rifkind, Tom King, Nicholas Edwards, Paul Channon, John MacGregor, Norman Tebbit and Richard Luce and to Sir Robert Armstrong.

A handwritten signature in black ink, consisting of a stylized 'Y' followed by a horizontal line and a diagonal stroke.

Y

9th June 1986

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ANNEX

NATIONAL COUNCIL FOR VOCATIONAL QUALIFICATIONS - MINISTERIAL ARRANGEMENTS

1 It has been agreed by Ministers with a direct interest in the operation of the National Council for Vocational qualifications that the Council should be jointly sponsored by their Departments; but that the Department of Employment should take the lead in day to day matters concerning the Council's operations and for the issues spanning the functions of all the Departments concerned and should provide a single point of accountability for the Council and its Chairman. The Annex indicated how these arrangements might operate in practice.

Inter-Departmental Liaison

2 The Departments directly concerned with the establishment of the NCVQ are the Department of Employment, Department of Education and Science, Welsh Office and Northern Ireland Office (at a later stage it is hoped that the Scottish Office will also become a sponsor of the National Council). It is proposed that Ministers from these four Departments should meet under the chairmanship of a DE Minister as needed (where issues cannot be settled by officials or by correspondence) to resolve any problems arising from the joint sponsorship arrangements for the Council and to agree the general thrust of the Government's policy, to be communicated to the Council by the Secretary of State for Employment.

3 The National Council's contact with Government on its operation as a whole will be via their Chairman to the Secretary of State for Employment. Other Ministers and their Departments will deal direct with the Council on matters which impinge primarily on those Ministers' responsibilities. The Chairman may also meet the Departmental Ministers together from time to time.

Appointments to the Council

4 All appointments to the National Council, including the Chairman, will be made by the Secretary of State for Employment explicitly after consultation with the other Secretaries of State directly concerned who will be responsible for suggesting names from their own fields.

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Grant in aid

5 The National Council will initially need Government financial support and this will be provided by a grant in aid from the Department of Employment - thus providing a direct line of financial accountability. A Financial Memorandum is being prepared which will set out the conditions under which the Council received funds from the Government. The grant in aid will be financed in part by Votes to DE from the other Departments concerned. The Council will be expected to submit annually to the Secretary of State for Employment, a review of the past year accounts, and a corporate plan supporting its expenditure proposals.

6 The Chief Executive of the NCVQ will be its Accounting Officer. The Permanent Secretary of the Department of Employment will be the Departmental Accounting Officer with responsibility for overseeing the presentation of, and adherence to, the Financial Memorandum and liaising with the Chief Executive on matters of joint concern to Accounting Officers eg NAO reports, PAC appearances.

Parliamentary Questions

7 Questions about the day to day activities of the National Council and its role in implementing the recommendations of the Review of Vocational Qualifications will be the responsibility of the Department of Employment. DE will consult with other Departments where elements of the Question or reply relate to Education, Wales or Northern Ireland (in practice close liaison will be maintained, particularly with DES, on all Questions). Where a Question relates exclusively to Northern Ireland or Wales it will be answered by the Northern Ireland Office or the Welsh Office Ministers. Where a Question seeks information about the policy of DES, Welsh Office or Northern Ireland Office in relation to the National Council or its activities, the Department concerned will take the lead, consulting as necessary. The same arrangements will apply, mutatis mutandis, for dealing with correspondence from Members of Parliament, although they will be encouraged to write direct to the Chairman of the Council on day to day issues.

Personnel and Administration

8. In general the National Council will not be subject to day to day supervision of its administration by any of the sponsoring Departments. However the Department of Employment, in pursuit of its Accounting Officer's responsibilities, will wish to be satisfied that the Council's administrative efficiency and personnel policy match up to the standards required of non-Departmental public bodies. In discharging this responsibility DE will be prepared to offer advice and support to the National Council, including, with the agreement of the Council, provision of financial and managerial expertise. Other Departments when required may be able to provide expertise to the National Council but such assistance should be co-ordinated through DE.

Department of Employment

June 1986

Abraham
Bond



CBF

CONFIDENTIAL



Secretary of State for Trade and Industry

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9 June 1986

The Rt Hon John MacGregor OBE MP
Chief Secretary to the Treasury
Treasury Chambers
Parliament Street
LONDON SW1

NBM

Dear John

TVEI EXTENSION

David Young copied to me his letter of 30 May on the extension to TVEI. I have also seen a copy of Norman Tebbit's letter of 2 June.

I strongly support David's arguments for an extension at the level of £30,000 per school. There is little doubt that TVEI has made a major impact on those schools involved, in ways which are wholly consistent with the need for a more relevant and industrially-related curriculum. It has therefore been a very clear signal that we are prepared to back our priorities with financial support. The scheme also dovetails extremely well not only with the views expressed in "Better Schools", but with many of the initiatives my own Department has taken through the Industry/Education Unit.

The difference between £20,000 and £30,000 can only be one of political judgment and I share David's preference for the higher figure. If we go for £20,000, I think there is every possibility that we will be accused of asking authorities to achieve the same results as in the pilot stage with only a quarter of the resources, and that several authorities would prefer the opportunity for a political row to taking the support available. At the £30,000 level, however, while we could not expect to be free from criticism from those determined to take that line, I very much doubt whether they could credibly refuse to participate. And the majority of authorities would, I think, regard the £30,000 support as a very worthwhile contribution towards maintaining the impetus that TVEI has created.

DW1BMG

17
19 **86**
BOARD OF TRADE
BICENTENARY



CONFIDENTIAL

I am sending copies of this letter to the Prime Minister,
Nicholas Edwards, Norman Tebbit, David Young, Kenneth Baker and
Malcolm Rifkind.

Yours,

Paul

PAUL CHANNON

DW1BMG

EDUCATION : TVEI : Part 2 .



CONFIDENTIAL



CPBS

Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Lord Young of Graffham
Secretary of State for Employment
Department of Employment
Caxton House
Tothill Street
London
SW1H 9NA

Prime Minister²

JHS
6/6.

5 June 1986

Dear David,

TVEI

Thank you for your letters of 30 May on the Technical and Vocational Education Initiative and on PES provision for the DE Group. I am grateful to you for sending me both letters on the same day: it clearly makes sense to consider the issues together.

Nicely done!

You say that you would like an early decision to enable an announcement to be made next month about an extension of TVEI and that you intend financing it within the PES period from savings in the existing DE/MSD PES provision. I must say that this is a misleading presentation, since overall you are proposing net additional expenditure of about £80 million a year above the savings you have identified. So this is effectively an additional bid.

This reinforces the view I expressed in earlier letters that it would not be right to reach an early decision about extending TVEI before Cabinet has considered Public Expenditure issues as a whole. I know that you consider some of the additional bids are unavoidable and beyond your control. But your Department is far from being unique in that and it does not alter the fact that pre-empting the PES process in the way you propose, especially with net bids outstanding, is bound to mean seeking offsetting savings from other colleagues.

I am not convinced either by your proposal to offer funding per school at the equivalent of £30,000 compared with £15-£20,000 in your original letter, which was based

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EDUCATION

TVEI
PT2

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on the MSC's judgement. And as far as the impact of announcements is concerned, in political terms it is at least as important to have attractive announcements to make at the time of the Autumn Statement as in the next few weeks. And it is better for the confidence of financial markets to avoid piecemeal announcements about new Public Expenditure proposals which use up available savings in the middle of what is now seen to be a very difficult Survey.

These are powerful arguments for sticking to the normal survey procedure. If we were to contemplate departing from it, it would in fairness to other colleagues be necessary for you to identify deliverable ways of fitting your new expenditure proposals, including TVEI, within your existing PES provision without any net additional bids.

You asked for an early discussion. If you still feel that that would be useful, I would be more than happy to arrange.

In view of the implications of what you propose for the way we conduct our public expenditure negotiations I am copying this letter to the Prime Minister, Willie Whitelaw, members of E(A) Committee and to Sir Robert Armstrong.

Yours ever,
JM

JOHN MacGREGOR



2 June 1986

TVEI EXTENSION

Your initiative in launching TVEI has proved remarkably successful: schools have acquired equipment (word processors, computers, lathes, etc); teachers have been motivated to retrain; technical and vocational education has been developed in the curricula (although patchily in some cases); many TVEI projects have been oversubscribed by pupils; and relationships between schools and industry/commerce/public services have been established or strengthened. By the autumn of 1986 there should be 103 projects in 98 authorities.

Extending this pilot programme to a nationwide initiative in the timescale envisaged by the Report, and at a cost of £300m, £600m or £900m, raises a number of questions which Lord Young needs to answer before you agree to his request.

These are cumulative figures, over a period of years

Developing the 16-18 Phase of TVEI

The experience with TVEI so far is primarily the 14-16 age group; certainly the success of the programme relates to this first phase. The Report's assessment on curriculum development for the 16-18 phase is that:

"First round projects have now had a first attempt at devising detailed curricula for the 16-18 phase of their projects, and the 48 second round projects are in the

midst of their first attempt. The exercise is proving very testing, and only a minority have so far succeeded in producing a full and satisfactory post-16 programme."

(5.5)

The problem is difficult because of: (i) the attraction of the YTS for 16-18 year olds; (ii) entry into projects by students at 16 who may not have been engaged in TVEI-type activities pre-16; (iii) the well-developed "A" Level curricula; and (iv) the difficulties of establishing links between schools and FE colleges in TVEI projects. Even where such links have been developed, however, the Report concludes that:

"There is little evidence on the basis of inspection that authorities in England and Wales have been able to plan and assemble coherent four-year packages, even where the schemes have been FE led or where a tertiary college operates." (5.22)

Q. How can we guarantee that extending the Scheme to the 16-18 age group will generate the right curriculum?

Availability of Teachers

Successful TVEI projects depend critically on an adequate supply of motivated teachers with the right skills. Already there are shortages in the fields of business, technology and information technology - even though only pilot projects have

been started. TRIST (TVEI-Related In-Service Training Scheme) is of some help, but INSET has proved inadequate. This is certain to be a major problem in the face of a major nationwide expansion.

Q. Where are the teachers for TVEI projects to be recruited, especially in view of such a large and rapid expansion of the Scheme?

Local Authority Expenditure

TVEI is a one-off exercise. It lasts four years and then it ceases to be funded by central government. Its object, however, is to have a permanent effect on school education. It is worth asking Lord Young what is his intention for the funding of TVEI. If it is to be funded by local authorities, how will it be financed? In the short term, the Employment/DES view is that local authorities are not likely to provide extra finance. Because of this, the Treasury claim that the choice is not £300m, £600m or £900m, but that extra funding of the order of £80m-300m should be added to each figure.

In the longer term the outlook is even more serious. Given that successful TVEI projects are being established in LEAs, the political pressure for them not to be dropped and made permanent by central government funding is likely to be very great. This raises the prospect of permanent funding from

central government to finance permanently higher local authority expenditure.

Q. Given the extra cost to local authorities of in-service training and the training of new teachers, what is the likely indirect as well as direct costs over the period?

Evaluating the Output of TVEI

Most of the evaluation of TVEI is on the basis of inputs: the curriculum, the management of the service, pupil motivation, quality of teaching, costs of the programme. But hardly any evaluation has been done of the outputs of TVEI. What do companies think of children who have attended TVEI programmes? Are students learning skills or being provided with expensive toys?

Lord Young might make this clear. You need to press him as to whether TVEI is a "hard" programme producing pupils with well-defined technical and vocational skills; or whether it is an extension of the kind of progressive education which has dominated the primary school - emphasising activity rather than skill, and learning by doing rather than teaching - into the secondary area.

Q. Is TVEI giving youngsters marketable skills?

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cc/bj



CABINET OFFICE,
WHITEHALL, LONDON SW1A 2AS

Chancellor of the Duchy of Lancaster

Tel No: 233 3299
7471

2nd June 1986

The Rt Hon John MacGregor OBE MP
Chief Secretary to the Treasury
HM Treasury
Parliament Street
LONDON
SW1 3EG

John

TVEI EXTENSION

I have seen David Young's letter to you of 30 May. I have also seen the report of the Interdepartmental Group on TVEI Development. *FILE WITH UN*

The assessment of officials, based on the evidence now coming through of the pilot schemes, is encouraging. It warrants a renewal of our intention to use new mechanisms to achieve greater practical relevance in the school and FE curriculum, and better to equip 14-18 year olds for work (and life!) after full-time education.

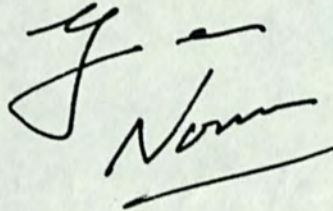
I strongly support David's proposal that TVEI should be extended to a full national programme beginning in September 1987.

I am conscious that some educational interests will seek to contrast this announcement, and the level of funding attached to it, with the alleged inadequacy of the resources available to support the introduction of the GCSE examinations. Conversely, if a national TVEI scheme were announced with greatly reduced funding, the accusations would, if anything, be louder, saying that we had again sought to impose major changes upon schools while leaving them woefully ill-equipped to do the job.

Kenneth Baker will wish to consider this carefully. My view is that we have not yet adequately publicised the funds already made available for GCSE (notably the recent specific grants announcement), and we need to try to win over the acceptance of the teaching unions (particularly the head teachers) to going ahead with GCSE. This may require some modest further support for equipment costs.

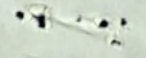
If this can be achieved, an announcement on TVEI could proceed much more smoothly. I am conscious of the importance which may attach to TVEI as we consider options for the structure of education; I therefore hope that the announcement can go ahead as planned.

I am sending a copy of this letter to the Prime Minister, Nick Edwards, David Young, Kenneth Baker, Malcolm Rifkind and Paul Channon.

A handwritten signature in black ink, appearing to read 'Norman Tebbit', with a horizontal line underneath the name.

NORMAN TEBBIT

EDUCATION : TUSI 1712



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to DEN. 11 B/F 2/6

Caxton House Tothill Street London SW1 9NF
6460

Telephone Direct Line 01-213.....

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The Rt Hon John MacGregor OBE MP
Chief Secretary to the Treasury
Treasury Chambers
Parliament Street
LONDON SW1

30th May 1986

Dear Chief Secretary,

TVEI EXTENSION

I am writing to seek your agreement to our extending TVEI from its present pilot phase to a full national programme beginning in September 1987. I would like to announce this decision in a White Paper which I hope to publish in the week beginning 30th June. I confirm that I intend financing the extension within the PES period from existing DE/MSD PES provision.

Since we corresponded in February and March officials have looked at the issues in an interdepartmental working group whose report was completed last week. Although Treasury officials have reserved your position on a number of issues the Education Departments, the MSD and the Department of Employment officials have confirmed that replication on a national basis is practicable within an administrative and curricular framework which is broadly similar to that available for the pilots. They have agreed a statement of curricular objectives (consistent with "Better Schools" and developments in Scotland) to which TVEI extension proposals would have to conform. They have also considered the costs and phasing of a national extension and concluded (Treasury officials dissenting) that MSD funding at a level equivalent to about £30,000 per school per year for a five year period (compared with £80,000 average for the pilots) is highly desirable if we are to secure an effective national voluntary and speedy extension given the present climate of opinion in the maintained education sector.

I accept that judgement: my initial inclination was to pitch our funding at the figure equivalent to about £20,000 per school which the MSD had first suggested, and which the interdepartmental group accepted, as a minimum credible figure but I believe now that that is a high risk strategy. It would also be less cost-effective. Some local authorities may

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participate at the lower level of funding but in my judgement a greater number are likely to argue that funding at only one quarter of the level available in the pilots will be insufficient to induce them to take on what would be the admittedly heavy task of implementing TVEI-led curricular change across all schools and FE colleges in their area dealing with the 14-18 age group. The burden on authorities as compared with the pilot stages (which involved perhaps only half a dozen schools and one FE college in each authority) will be considerable and authorities will not get wholehearted co-operation from teachers if they think the extension is under-funded. So funding at levels preceived to be inadequate would both seriously prejudice our hopes of securing a speedy and effective national extension and would carry the risk that we would get little credit for what we were doing. Reactions might concentrate less on the money which the Government was making available than on the argument that this was yet another burden being imposed on the education sector with inadequate resources.

And the sums involved at the higher level of funding are not enormous in relation to the benefit gained. The cost to the MSC of the TVEI extension at the £30,000 level would be of the order of £12m, £41m and £84m in the three years of the PES period to 1989/90 which would be some £2m, £11m and £25m more than the £20,000 "minimum credible" level. And these total MSC costs can be met by switching somewhat smaller payments than that from the YTS baseline (because of savings accruing in the money at present allocated for TVEI pilots). So the "bottom line" figures are for switching some £10m, £33m and £58m from the YTS baseline (which is running at £1100m/£1200m) in the PES period. Our officials have discussed a range of options for securing such a switch but we need not take firm policy decisions on these for the later years until we have a better idea of how two year YTS is developing. I am however prepared to give now a commitment that for 1987/88 I will inform the Commission later this year that the YTS basic grant and managing agents fee for 1987/88 should be frozen at present levels (with protection for umbrella providers and recipients of premium and ITEC grants). This alone would save some £15m in 1987/88.

Given your particular interests I have spent some time on funding issues - but mainly to emphasise that I believe that we should fund at the £30,000 level and that it is realistic to plan to do so from within the existing YTS baseline. I believe that the case for announcing now the extension for

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TVEI from September 1987 is very strong indeed. Such an announcement would be seen as a speedy and effective riposte to some of the present concern about the funding pressures in the maintained education sector. More importantly it gives us a mechanism for focussing expenditure in schools in an area which we, and increasingly others, believe is one of high priority. The recent HMI report on LEA expenditure on education drew specific attention to the beneficial effects of the TVEI pilots on curricular development and morale. We should capitalise on that and make an early announcement of a full blooded and properly funded extension.

I would be glad of an early response to this letter because of the need to finalise the text for the forthcoming White Paper. Could we meet before say 10th June?

I am sending copies of this letter to the Prime Minister, the Chancellor of the Duchy of Lancaster, the Secretary of State for Trade and Industry, the Secretary of State for Education and Science, and the Secretaries of State for Scotland and for Wales.

Yours sincerely,

Tain Markham

[PRIVATE SECRETARY]

(APPROVED BY THE SECRETARY OF STATE
AND SIGNED IN HIS ABSENCE)

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NO

CCB
w/quote report



Caxton House Tothill Street London SW1H 9NF

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9 May 1986

Mark Addison Esq.,
Private Secretary,
10 Downing Street,
London, SW1

Prime Minister 2
To be aware of this.
(Lord Young will be at your meeting on education on Wednesday.)

Dear Mark,

JM
12/5.

REVIEW OF VOCATIONAL QUALIFICATIONS

IN ATTACHED FOLDER

My Secretary of State has asked me to send the Prime Minister a copy of the report of Oscar De Ville's working group on the Review of Vocational Qualifications, in which he has taken a strong personal interest. The report was published yesterday.

Yours,

Iain

Iain Mackinnon
Private Secretary

CCBS



Chancellor of the Duchy of Lancaster

CABINET OFFICE,
WHITEHALL, LONDON SW1A 2ASTel No: 233 3299
7471

23 April 1986

The Rt Hon John MacGregor OBE MP
Chief Secretary to the Treasury
Treasury Chambers
Parliament Street
LONDON
SW1 3AG

Prime Minister

This would be a very ~~sharp~~
slippery slope - the Treasury should
react fiercely. JRS

D John,

VOCATIONAL EDUCATION AND TRAINING WHITE PAPER

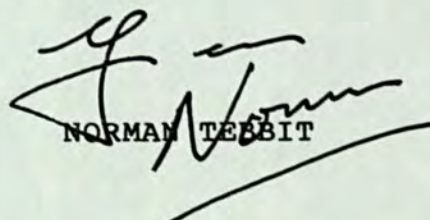
I have seen ^{at 11.45} your letter of 3 April to David Young, and David's
reply of 14 April.

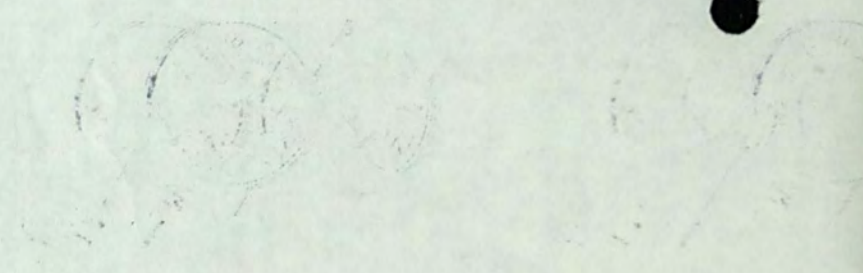
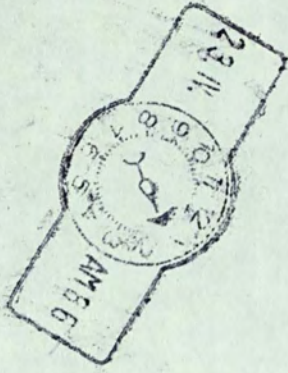
I sympathise with your view that, if David has savings available from within his PES provision, then these ought to be considered in the PES process alongside any proposals he might have for increases in provision, of which additional expenditure on the TVEI would be one. Of course, we should note that the new arrangements for PES this year encourages our colleagues themselves to net off changes in their programmes, so as to remain within their overall PES provision.

I think, however, that we need to be realistic in the way that we react to proposals coming forward now, which have future public expenditure implications. In this case, the proposal carries a high priority, both with the Department's own programmes, and in relation to other programmes, and is able to be funded from within existing resources. I do not see that we could reasonably expect that it would not be agreed to in the course of the PES discussions. In these circumstances, I believe that we should not stand in the way of operational considerations which point to an earlier announcement than would strictly be in accordance with the PES process.

I attach considerable importance to the further extension of TVEI and, subject to an examination of the options, I hope that you will agree to announcement in a White Paper in June.

I am sending a copy of this letter to the Prime Minister, Cabinet colleagues, and to Sir Robert Armstrong.


NORMAN TEBBIT



cc/BG



Caxton House Tothill Street London SW1H 9NF

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The Rt Hon John MacGregor OBE MP
 Chief Secretary to the Treasury
 Treasury Chambers
 Parliament Street
 LONDON SW1P 3AG

NBPN

14 April 1986

VOCATIONAL EDUCATION AND TRAINING WHITE PAPER

Thank you for your letter of 3 April recording your reservations about publishing a White Paper on Vocational Education and Training in June if it contains any announcements about the extension of TVEI. *WILL REQUEST IF REQUIRED*

As you recognise, I have offered to fund the proposed extension from within existing resources. I cannot accept that an early announcement would be materially prejudicial to the PES process. The logic of that argument would seem to point to a doctrine that no decision with medium term expenditure implications, even if financed within the existing planned resources, could be announced except in, or immediately after, an Autumn or Budget statement - and that seems to me to go too far. Timing of major policy announcements must have some regard to operational considerations such as when an announcement has to be made to allow proper time for implementation by a given date, and to the need to announce important decisions in a context where we can maximise favourable reactions and make the most impact.

Thus, when our officials have completed their examination of the options for extension at the end of this month I will be coming back to you to press for announcements in a June White Paper.

I am copying this letter to the Prime Minister, Cabinet colleagues and to Sir Robert Armstrong.





Secretary of State for Trade and Industry

DEPARTMENT OF TRADE AND INDUSTRY
1-19 VICTORIA STREET
LONDON SW1H 0ET

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GTN 215)
(Switchboard) 01-215 7877

CC/66

17 March 1986

The Rt Hon Lord Young of Graffham
Secretary of State for Employment
Caxton House
Tothill Street
LONDON
SW1H 9NA

Handwritten: NBRN

Handwritten: Sir Brian (Lange) (of)

- Secretary of State for Environment
- Chief Secretary
- PS/Mr Pattie
- PS/Mr Butcher
- Mr Dehl
- Mrs Benham
- Mr Forrester
- Mr Brown

- Prime Minister
- Secretary of State for Education
- Chancellor of the Duchy
- Secretary of State for Scotland
- Secretary of State for Wales

Copies to:

Handwritten: at flap

Thank you for sending me a copy of your letter to Keith Joseph about the proposed extension of TVEI. I have also seen the letters from Norman Tebbit, John MacGregor and Nicholas Edwards.

I am writing to express my strong support for the principle of the extension you propose. I have little doubt that the TVEI is one of the most significant changes in the education system for many years and that it is fully in support of the general long-term changes in the economy which we are seeking to achieve. I understand, of course, John MacGregor's concerns about the financial planning cycle, and you will no doubt wish to resolve these points with him; but I would certainly wish a general welcome for the proposed extension to be set on record.

With regard to the need for evaluation, I share John MacGregor's concerns that we must not fail to take full account of the experience gained in devising the extension. But I do not think it is realistic to put off a decision about extension for much longer than the timetable your suggest. The Initiative is intended, after all, to tackle a long-term problem concerning the lack of general skills in society, and I suspect a delay of months is unlikely to provide any additional evidence which would change our strong general perception that the scheme has been a great success.

Copies of this letter go to recipients of yours and Kenneth Baker.

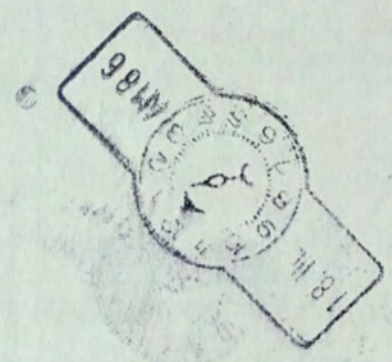
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PAUL CHANNON

17 19 86
BOARD OF TRADE
BICENTENARY

EDUCATION

TUGI PT2





cc B9
SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

The Rt Hon Lord Young of Graffham
Secretary of State for Employment
Caxton House
Tothill Street
LONDON
SW1H 9NF

12 March 1986

Dear David,

TECHNICAL AND VOCATIONAL EDUCATION INITIATIVE

I refer to your letter of 21 February to Keith Joseph about your proposals for moving TVEI from a pilot to a national scheme with effect from September 1987.

I warmly welcome your proposals in principle. Although it is as you say too early to give any definitive evaluation of TVEI, it is already clear that it is making an important impact on curriculum design and on attitudes to technical and vocational education in schools and authorities. In Scotland we have also found so far that it has complemented well the changes in certification we are instituting, especially the introduction of SCOTVEC 16+ modules which have exceptionally been made available for 14-16 year olds involved in TVEI schemes. As Standard grade begins to come on stream we would hope that many of the new courses would also be relevant to TVEI.

The final proposals for an extended scheme will of course need to be very carefully considered and presented. Moving beyond the pilot stage to schemes involving all schools will have very substantial implications for the management of the curriculum; and we will want to be sure that the proposals continue to cohere with our particular developments in Scotland. I agree therefore that a working group of officials should prepare more detailed proposals with the aim of announcing decisions in June.

A wider point is the link between the funding for your new proposals and other MSC programmes. Your expectation is that reduced pressures on YTS will release the necessary resources. But many critics currently say that YTS is underfinanced and I know of the significant pressures which the MSC budget generally faces. I have therefore asked my officials to get in touch with yours to clarify the possible implications for other MSC programmes before we commit ourselves to going ahead with these proposals.

In general however I believe your proposals are on the right lines and I would want Scotland to be fully involved in them.

Copies go to the Prime Minister, Nigel Lawson, Keith Joseph,
Norman Tebbit, Paul Channon and Nicholas Edwards.

*Yours ever,
Malcolm*

MALCOLM RIFKIND

EDUCATION : TVEI : PE2

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[Faint, illegible handwriting]

12.11.11 PM 8.55



CCBS



DEPARTMENT OF EDUCATION AND SCIENCE
ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH
TELEPHONE 01-934 9000

FROM THE SECRETARY OF STATE

The Rt Hon Lord Young of Graffham
Secretary of State for Employment
Caxton House
Tothill Street
LONDON SW1

10 March 1986

Ben David

Pamie Pinto

SHS

10/3

mt

TVEI

Thank you for your letter of 21 February about TVEI. I very strongly support your proposals for the next stage of development from the original Initiative.

I agree that officials should now prepare detailed proposals within the broad framework which you have set out. Our objective is to promote relevance and the practical application of knowledge, skills and understanding throughout all schools and colleges as part of the mainstream of curricular policy. Education Department officials will, I understand, be increasingly involved, with yours, in this work and in particular are already at work on the curricular criteria which would be appropriate to the new phase, in the light of what is said in "Better Schools".

The funding of your proposals is not a matter for me, but the sums concerned are certainly modest in relation to need, and you and I are I think agreed that the development needs to be supported by additional funds within the new specific grant arrangements for in-service training. I shall be writing shortly to E (LA) colleagues with proposals.

I am copying this letter to the Prime Minister and other recipients of yours.

Edward Heath

EDUCATION - TUE 7 Ptz



RESTRICTED



Caxton House Tothill Street London SW1H 9NF

Telephone Direct Line 01-213 6460

Switchboard 01-213 3000

The Rt Hon John MacGregor OBE MP
 Chief Secretary
 Treasury Chambers
 Parliament Street
 SW1P 3AG

6 March 1986

John

TVEI

Thank you for your letter of 5 March about the proposed extension of TVEI. I am glad that you agree that officials should prepare a report within the framework of the proposals in my letter of 21 February to Keith Joseph. I am content that the group should look at 3 of the 4 issues you suggest should also be examined - evaluation, impact on LEAs (although this must be speculative) and the effect of lower expenditure in achieving our objectives. I do not think however that it would be appropriate for this group to consider the question of what offsetting savings need to be found to finance the expansion. I believe that that issue is better discussed in a different context - and largely bilaterally between us. I am content however that DE officials and yours produce a separate paper in parallel with the report of the Working Party.

I note your belief that the proposed extension should be considered within the context of the PES. My view remains that there are very strong practical and presentational advantages in an earlier announcement as I proposed, and that we should aim to agree to an extension and announce it in the proposed White Paper on Vocational Education and Training in June. We will begin the work on the report by officials but I will want to discuss with you the timing of a decision and announcement.

I am copying this letter to the Prime Minister, Keith Joseph, Norman Tebbit, Paul Channon, Malcolm Rifkind, Nicholas Edwards and Kenneth Baker.

Paul Channon

RESTRICTED

Education: TVEI Pt 2.



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Treasury Chambers, Parliament Street, SW1P 3AG
 The Rt Hon Lord Young of Graffham
 Secretary of State for Employment
 Caxton House
 Tothill Street
 London
 SW1H 9NA

Prime Minister 2

DLW

5 March 1986

7/3.

Dear David,

TVEI

You sent a copy of your letter to Keith Joseph of 21 February to Nigel Lawson seeking colleagues' agreement to announcing in the summer that TVEI will move from a pilot to a national scheme from September 1987.

I appreciate the importance you attach to TVEI but we cannot accept that we should now agree to a plan costing £600 million which you describe as a "gesture of faith". I believe that the pressure from local education authorities for a decision- 15 months before the new spending you propose - can be resisted. If absolutely necessary the pressure could after all be met simply by extending the first pilots for a further year.

The possibility of further expenditure on TVEI must be considered as part of this year's public expenditure survey against the background of priorities both within DE expenditure and across Government expenditure more generally. You say that costs which fall within the PES period could be met from within present planned MSC resources. I appreciate that some savings in YTS would result from more pupils staying longer at school as a result of the extension of TVEI which you propose (equally there would also be additional costs for LEAs). But other possible savings do not depend on this. To the extent that savings are possible through reordering MSC priorities and eg increasing employer contributions to YTS, they must be considered, like other major expenditure proposals, as part of the Survey. Apart from being a normal and essential part of maintaining public expenditure discipline, this is even more important when, as in this case, a proposal that is to be financed by a switch within DE's provision may entail an increase in local authority expenditure within the DES programme.

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I am however content to agree that a working group of officials should prepare a report in advance of the public expenditure survey. As well as looking at the illustrative proposals set out in your letter I would like the group also to report on:

- a. the extent to which TVEI has so far been evaluated and the nature and timing of the availability of further results of evaluation;
- b. the extent to which local education authority expenditure would be higher or lower than it would otherwise have been as a result of your proposals both during and after the ten year period;
- c. what could be achieved by expenditure at a lower level eg half the rate you are suggesting;
- d. the savings that would be achieved to offset the proposed expansion.

The report can then be taken into account in the Survey process.

For my part I would need some persuasion that we should commit ourselves to expenditure on a national scheme prior to detailed and convincing evaluation results from the existing pilots, particularly in view of the priority you attach to enterprise and employment measures which have a direct impact on unemployment levels.

... I am copying this letter to the Prime Minister, Keith Joseph, Norman Tebbit, Paul Channon, Malcolm Rifkind and Nicholas Edwards. A copy also goes to Kenneth Baker together with a copy of your letter because of his responsibilities for local authority finance.

Yours etc,
JH

JOHN MacGREGOR

cc:BG



Y SWYDDFA GYMREIG
GWYDYR HOUSE
WHITEHALL LONDON SW1A 2ER
Tel. 01-233 3000 (Switsfwrdd)
01-233 6106 (Llinell Union)

WELSH OFFICE
GWYDYR HOUSE
WHITEHALL LONDON SW1A 2ER
Tel. 01-233 3000 (Switchboard)
01-233 6106 (Direct Line)

Oddi wrth Ysgrifennydd Gwladol Cymru

The Rt Hon Nicholas Edwards MP

From The Secretary of State for Wales

5 March 1986

NREN

#28

D. Davi

file with DEN

Thank you for copying to me your letter of 21 February to Keith Joseph about an extension of TVEI from a pilot to a national scheme.

I agree that it is right to proceed on the basis you propose, particularly in the light of our White Paper on "Education and Training for Young People" from which you quote.

Like you, I consider that TVEI is helping to respond to a need for technical, practical and vocational studies for certain pupils and I welcome the suggested extension with MSC funding.

I agree too that details could be worked up by a group of officials and I am glad that the Welsh Office will be invited to participate.

Copies of this letter go to the Prime Minister, the Chancellor of the Exchequer, the Chancellor of the Duchy, the Secretary of State for Trade and Industry, the Secretary of State for Scotland and the Secretary of State for Education and Science.

J *em*
Nich

Lord Young of Graffham
Secretary of State for Employment
Department of Employment
Caxton House
Tothill Street
LONDON
SW1

Education, TVEI; Pt 2





10 DOWNING STREET

Prime Minister 2

To see before your bilateral
with Lord Young.

~~Mr. Rabbit~~ strongly
supports extension of TVEI.

The Treasury have not yet
commented, and I suggest
waiting to see what they
say.

DBS
28/2

RESTRICTED



Chancellor of the Duchy of Lancaster

CABINET OFFICE,
WHITEHALL, LONDON SW1A 2AS

Tel No: 233 3299
7471

28 February 1986

The Rt Hon Lord Young of Graffham PC
Secretary of State for Employment
Department of Employment
Caxton House
Tothill Street
LONDON
SW1H 9NF

D. David

TECHNICAL AND VOCATIONAL EDUCATION INITIATIVE

Thank you for copying to me your letter of 21 February to Keith Joseph.

I am fully in agreement that an announcement should be made that TVEI will move from a pilot to a national scheme as from September 1987. This would not simply be a gesture of faith. To do otherwise would be seen as a serious setback to our objective of securing greater practical relevance in schools, working to standards which potential employers will welcome and rely upon.

I am glad to see that you are able to find the necessary funding from within planned MSC resources during the PES period.

I am sending a copy of this letter to the Prime Minister, Nigel Lawson, Keith Joseph, Nick Edwards, Malcolm Rifkind and Paul Channon.

J. ...
Norman

NORMAN TEBBIT

EDUCATION
TUE
PTZ



TECHNICAL AND VOCATIONAL INITIATIVE

Lord Young has written to Keith Joseph asking to extend the TVEI from the present pilot scheme (covering 5% of pupils) to a national scheme (covering all secondary schools) starting from September 1987, at a projected cost of £600m over 10 years.

However, the first pupils who have been exposed to the scheme are only now reaching school-leaving age, and there is very little evidence (other than anecdote) for the success of the scheme.

The Department of Employment say that the biggest difficulty with the scheme is finding teachers with sufficient practical experience in vocational subjects. This problem is also mentioned in a recent study of TVEI by the National Foundation for Educational Research. As two-thirds of the budget goes on staff, the cost of solving the problem would become acute if the scheme were applied to all schools.

Some of the courses offered under the scheme do not seem to us to be at all promising as job prospects - for instance, creative arts, media studies, performing arts, dance, and leisure and recreation studies. If the scheme is to be extended, it should be targeted on subjects (eg the applied sciences and technology) where employers cannot find enough qualified people.

Furthermore, the Chief Secretary is disquieted that a costly bid for additional expenditure such as this one should be put forward

in between public expenditure surveys rather than as part of a survey. This point has some force: however excellent the TVEI may be on its own merits, there may be other and better uses for the money which would be ruled out if this bid were accepted before other bids have even been considered.

We think the Chief Secretary is right. It would be best to wait until the PESC round before considering this bid. This would allow time for the Department of Employment to collect better evidence for the efficacy of the scheme.

Agree to suggest to Lord Young at your next tete-a-tete with him that, once he has Keith Joseph's agreement in principle to national extension of TVEI, he should hold the expenditure bid on file until the next public expenditure round?



CHRISTOPHER MONCKTON

28 February, 1986.



Caxton House Tothill Street London SW1H 9NF

Telephone Direct Line 01-213 6460
Switchboard 01-213 3000

The Rt Hon Sir Keith Joseph Bt MP
Secretary of State
Department of Education and Science
Elizabeth House
York Road
London
SE1

21 February 1986

As Keith,

The purpose of this letter is to seek your agreement, and that of colleagues, to us announcing in the Summer that TVEI will move from a pilot to a national scheme with effect from September 1987.

As you know the White Paper "Education and Training for Young People" published in April last year said that:-

"The Government is considering the wider application of the lessons emerging from the Technical and Vocational Education Initiative - the Government's objective is that all young people in schools should have the opportunity of following a more relevant and practical curriculum leading to the achievement of recognised standards of competence and qualifications".

I am anxious to maintain the momentum of TVEI pilots and already we and the MSC are under pressure from first round pilot LEAs to know what is going to happen at the end of the pilot period. The first round authorities will complete their first 14-18 cohort with TVEI funding in academic year 1987/88 and I am strongly advised that we need to announce this Summer whether there will be continuation of the TVEI funding thereafter so that LEA staff in the pilot areas have time to plan accordingly, and we do not lose momentum.

I am in no doubt that there should be such an extension. It is too early yet to give definitive evaluation results but those of us who have visited TVEI schemes are in no doubt about the impact it has had on changing attitudes and motivation of staff and pupils toward technical, practical and vocational studies. The facts are not, of course, wholly conclusive yet but we need a gesture of faith - which I am sure will be amply justified by the results.



... I attach an outline of proposals for the pattern of extension of TVEI funding which would allow and encourage local authorities to develop technical, practical and vocational studies in all their schools (and colleges) for the 14-18 age group. The costings are based on the MSC's best judgement in the light of the extensive contacts they have had with existing pilot authorities of the minimum inducement necessary to continue the momentum for curricular change. I would hope too that your new arrangements for the better targetting of in-service training through a specific grant would be used to complement the proposed extension of TVEI in achieving the kind of change we want.

We estimate that the total MSC costs over the next 10 years might be of the order of £600m (compared with the pilot costs of about £250m) - but I can think of few training and educational areas where the judicious expenditure of an average of some £60m per year has potentially such far reaching and long term effects as we can expect from further development of TVEI. The initial costs are relatively modest - if local authorities do not participate until the end of the fourth year of their pilot scheme, the costs to the MSC might be of the order of £15m in financial year 1987/88, £45m in 1988/89 and £65m in 1989/90. I am prepared to fund these costs within the PES period from within present planned MSC resources, in the expectation that as TVEI gathers momentum and young people are encouraged to stay in full time education the pressures on the YTS programme will ease.

The proposals are illustrative rather than detailed at this stage and I think it would be very desirable if officials could get together under DE chairmanship to work up more detailed proposals so that we can consider the final package for an announcement in the Summer. I suggest officials be asked to report by the end of April at the latest, so that given general agreement, we can announce decisions in June - perhaps in a White Paper on Vocational Education and Training in which TVEI extension and decisions on the Review of Vocational Qualifications could be major features.

An announcement then would allow the TVEI Unit to invite eligible education authorities to submit their development plans for TVEI extension to be implemented with effect from September 1987. The preparation and consideration of such plans will of course need more time to prepare than the initial TVEI submissions - because development plans will extend across the whole range of each authority's provision for 14-18 year olds rather than, as with the TVEI pilots, being limited to perhaps half a dozen schools and some colleges in each area.

RESTRICTED



I am copying this letter to the Prime Minister, the Chancellor of the Exchequer, the Chancellor of the Duchy, the Secretary of State for Trade and Industry and the Secretaries of State for Scotland and Wales. I hope you agree that the attached proposals offer a realistic basis for early action so that our officials can get together - with those of the Treasury, Scotland and Wales - and work up detailed proposals and report to us by the end of April.

Handwritten signature

RESTRICTED

DEVELOPMENT OF THE TECHNICAL AND VOCATIONAL EDUCATION INITIATIVE**AIM**

To maintain momentum in curriculum change for 14-18 year olds to give greater emphasis on technical, vocational and practical enrichment of the existing curriculum and build on lessons of pilot projects (which on current plans will cover 3% of 14-18 year olds in schools at a cost of over £250m) to ensure that TVEI opportunities are available throughout Great Britain.

PROPOSED APPROACH

- Additional resources to be channelled through MSC to fund 5 year development schemes in every LEA.
- LEA to be invited to submit, on a voluntary basis, comprehensive curriculum development plans which could enable all secondary schools to participate.
- Funding will be given in support of staff and resources promoting curriculum change.
- It will not be a condition of participation that LEAs switch more of their own resources into curriculum change.
- Authorities not participating in TVEI pilot rounds 1 to 4 (15% in total) to be offered chance of eligibility for development after first undertaking pilot project in further Round 5.
- The extension could begin from September 1987 when the 1st Round authorities will have completed 4 years of their 5 year pilot programme.

SCALE OF FUNDING

The MSC judgement of the financial incentive necessary to encourage LEA participation is a sum equivalent to about £15,000-20,000 a year for each school over 5 years, although the emphasis will be on funding resources at LEA level rather than in individual schools. Projected gross costs are £600m (including about £10m administration) over 10 years assuming all LEA and EA are able to participate from the end of the fourth year of their TVEI pilot project. Existing MSC staff levels would need to be increased by about 12.

On the above very broad assumptions the MSC costs in FY 1987/88 might be about £15m, and £45m and £65m in 1988/89 and 1989/90 respectively.

Department of Employment
February 1986



Caxton House Tothill Street London SW1H 9NF

Telephone Direct Line 01-213 6460

Switchboard 01-213 3000

The Rt Hon Sir Keith Joseph Bt MP
 Secretary of State
 Department of Education and Science
 Elizabeth House
 York Road
 London
 SE1

21 February 1986

As Keith,

*DN seen
3/3*

The purpose of this letter is to seek your agreement, and that of colleagues, to us announcing in the Summer that TVEI will move from a pilot to a national scheme with effect from September 1987.

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EDUCATION : National Training
Commission: A2



... I attach an outline of proposals for the pattern of extension of TVEI funding which would allow and encourage local authorities to develop technical, practical and vocational studies in all their schools (and colleges) for the 14-18 age group. The costings are based on the MSC's best judgement in the light of the extensive contacts they have had with existing pilot authorities of the minimum inducement necessary to continue the momentum for curricular change. I would hope too that your new arrangements for the better targetting of in-service training through a specific grant would be used to complement the proposed extension of TVEI in achieving the kind of change we want.

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RESTRICTED



I am copying this letter to the Prime Minister, the Chancellor of the Exchequer, the Chancellor of the Duchy, the Secretary of State for Trade and Industry and the Secretaries of State for Scotland and Wales. I hope you agree that the attached proposals offer a realistic basis for early action so that our officials can get together - with those of the Treasury, Scotland and Wales - and work up detailed proposals and report to us by the end of April.

[Handwritten signature]

DEVELOPMENT OF THE TECHNICAL AND VOCATIONAL EDUCATION INITIATIVE

AIM

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On the above very broad assumptions the MSC costs in FY 1987/88 might be about £15m, and £45m and £65m in 1988/89 and 1989/90 respectively.

Department of Employment
February 1986

EDUCATION

TUE 1

PT 2



File

TVEI

Cumulative

Year 1 (from Sept 1983)	14 LEA's involved:	13
	including 102 schools	102
	41 colleges	41

a further

Year 2 (from Sept 1984)	43 LEA's involved:	57
	including 230 schools	332
	72 colleges	113

(In addition 4 LEA's in Scotland)

a further

Year 3 (from Sept 1985)	13 LEA's involved:	70
	including 77 schools	409
	20 colleges	123

(In addition 4 LEA's in Scotland)



~~CCND~~
NBRM
AT 15/7

Caxton House Tothill Street London SW1H 9NF

Telephone Direct Line 01-213.....6400

Switchboard 01-213 3000

The Rt Hon Sir Keith Joseph Bt MP
Department of Education and Science
Elizabeth House
York Road
LONDON SE1

16th July 1984

Dear Keith,

TRAINING FOR JOBS: PUBLIC EXPENDITURE IMPLICATIONS

You wrote to me on 26 June about leakage and an increase in the RSG transfer of £65m to local authorities.

On leakage I agree with you that we must reject David's suggestion that it should be met by a further reduction in RSG. I also agree with you that the £5m I have offered should be enough. In addition to the factors you list as ensuring that there is little overspending on NAFE next year, the MSC's plans are designed to create the minimum of disruption. I am inclined to leave the settlement of this issue until my bilateral with Peter Rees when it can be considered along with all the other relevant considerations but I shall decide whether to handle it this way when there is clear progress in the MSC's negotiations with local authorities.

As David knows, I am opposed to making additional money available to local authorities in order to try to buy their co-operation on NAFE. It would create an unfortunate precedent. Moreover, as I understand it, the ACC in their recent discussions with MSC have ceased to press the issue. The existence of reduced requirements of £180m on YTS next year does not change my view since there are competing prior claims on it which we shall have to examine.

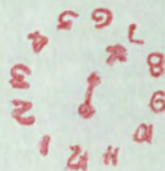
I am copying this letter to the Prime Minister and David.

My conversation at the ACC reception and David Young's efforts have both as though the lesson may be breaking.

[Handwritten signature]

Education Pt 2

TVEI



16 JUL 1984



Mwp Ryder

*Please arrange
20 mins
only - end July.*

10 DOWNING STREET

PRIME MINISTER

*Dms
6/7*

I understand that Mr. Baker mentioned to you today a proposal for a privately funded University of Technology.

Would you like to see him briefly about this before the holidays?

*Dms
6/7*

Yes

~~*Dms*~~

*FRI 20 July
10.30.*

5 July 1984



DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE, YORK ROAD, LONDON SE1 7PH

TELEPHONE-01-928 9222

FROM THE SECRETARY OF STATE

26 June 1984

Dear Tom.

TRAINING FOR JOBS : PUBLIC EXPENDITURE IMPLICATIONS

David Young sent me a copy of his letter of 31 May to you about this.

I am sure that we must reject David's idea of a further reduction in local authority expenditure or of the RSG associated with it. This would simply increase hostility of the local authorities to the whole scheme and would have repercussions on services particularly education over and above those we are discussing in E(LA). The ACC have now agreed to talk to the MSC and nothing should be done to put this easement in the deadlock at risk. In any case, I do not believe that the Treasury's concern is justified. Realistic targets for all local authorities, coupled with very tough holdback, and rate-capping for the worst overspenders like ILEA should ensure that there is little overspending on NAFE next year. Your earlier offer of £5 million from your programme should be enough to cover any leakage that there might be.

Far from supporting the case for new cuts in RSG, I think that the situation now requires a modest gesture in the other direction. I have co-operated up to the hilt in "Training for Jobs" because I am convinced that the policy is right. And I agreed to no preliminary consultation in order to avoid leaks and to give the maximum resonance to what I thought was going to be a great government declaration on a National Training Agency. For some reason there was no great government declaration to make it all worthwhile. The local authorities are bitter, and our policy on schools is suffering as a result. We need the co-operation of the

/local

The Rt Hon Tom King MP
Secretary of State for Employment
Caxton House
Tothill Street
LONDON SW1H 9NF

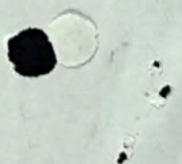
local authorities to raise school standards. The ACC's decision to talk creates an opportunity to achieve the objectives of our policies - ie better value for money in both the FE colleges and the schools. I believe that we should greatly increase the chances of success if the MSC were to provide a little new money over and above the £65 million. Since, I understand, they are likely to underspend on YTS next year by nearly £200m, this should be possible without damage to the rest of their programme and without an increase in our plans for public expenditure as a whole.

I am sending copies of this letter to the Prime Minister, with a copy of David Young's, and to David himself.

Young
Hein

26

1900
MAY 1 11 11
L
B
7



*SJS to see
85/15*

Your ref: ●

Our ref:

Date: 31 May, 1984



The Rt. Hon. Tom King M.P.,
Secretary of State,
Department of Employment,
Caxton House,
Tothill Street,
London, S.W.1.

Selkirk House
166 High Holborn
London
WC1V 6PF
Telephone: 01-836 6126

Chairman: David Young

Tom King

[Handwritten signature]

TRAINING FOR JOBS: IMPLICATIONS FOR PUBLIC EXPENDITURE

I am writing about the effect on public expenditure of the transfer of NAFE money from RSG to MSC from 1985/86 onwards. I understand that the Treasury is arguing that in order for the whole exercise to be neutral in terms of public expenditure it is necessary for DE or MSC to find cuts outside NAFE of £20 million in 1985/86 and £30 million in 1986/87. If any reduction has to be made, surely it would be more logical for it to be made from the Rate Support Grant rather than the Commission.

Naturally I understand the Treasury's concern, especially given the Prime Minister's wish that the NAFE exercise should be a transfer of public spending, not an increase. Nevertheless, I am very unhappy about the figures being bandied about which seem to me to be of completely the wrong order. I have yet to see any coherent argument supporting an offset amounting to one-third of the total or anything like it. Indeed, I question the need for any reduction. The Treasury line seems to take no account of the careful efforts that we are making to set things up in 1985/86 so as to preserve maximum continuity (consistently with the underlying aims of the initiative) and thereby to minimise the public expenditure effect. I shall be writing round separately to invite approval for these financial arrangements and this is a point I shall re-emphasise for the benefit of the Treasury.

A further important consideration is that the acceptability of the whole package in the eyes of the Commission and others will be reduced if the transfer of NAFE money to MSC is seen to be associated with a real reduction elsewhere in MSC programmes, wherever it may fall. It is, as you know, hard going to get the initiative off the ground. We are in a delicate negotiating situation. A cut of the kind sought by the Treasury would ensure that we would have to proceed without the agreement of the local authority associations.

It has, I understand, been suggested that the matter ought to be left to be settled during the public expenditure bilateral in September. I question whether that is right. In my view we need

..../Cont.

to get the issue out of the way before then so that we have a clear financial basis for planning both this and other MSC programmes. I would welcome an opportunity to put this and the other points in this letter to you and to the other Ministers involved, including Peter Rees.

I am copying this letter to Keith Joseph.

Law
Haw

cc PS / Mr Marmar

PS / Secretary

Mr Dax

Mr Bayhri - admin / draft reply

631/r

Mr Brand

Mr Kalan

Mr Faw



TF

COMMITTEE OFFICE
HOUSE OF COMMONS
LONDON SW1A 0AA
01-219 3284 (Direct Line)
01-219 3000 (Switchboard)

[Handwritten initials]

THE EMPLOYMENT COMMITTEE

The Employment Committee are to hold an inquiry into certain aspects of Training, and invite written submissions from interested persons and organisations. The areas that the Committee particularly wish to investigate are:

- Voluntary training arrangements in industries where Industrial Training Boards have been abolished - what arrangements have been made, and how they are working
- Youth Training Scheme - the effects of the shift in provision from Mode B places towards employer-led work-based Mode A places
- "Training for Jobs" White Paper - the implications of the proposal to enable the MSC to play a larger part in the work-related non-advanced further education provided by L.E.A.'s
- Skill shortages - the identification of skill shortages when the country emerges from recession, and plans to reduce or avoid them.

Submissions are welcomed on any or all of these points. They should be addressed to the Clerk to the Employment Committee, Committee Office, House of Commons, London SW1A 0AA. (Any enquiries should be made to 01-219 3284).

The Committee would be grateful if memoranda could be submitted by the end of March, but in any case ask that they should be sent as soon as possible.

13th March 1984



File

10 DOWNING STREET

From the Private Secretary

Prime Minister ⁽¹⁾

David Young phoned. He would like to call in to see you on Sunday evening for a chat - around $\frac{1}{2}$ hour. I told him you would be at Clevers but he says he will be in that area earlier in the afternoon so this is no problem.

He wants to talk about

- (a) the damage which would be done to MSC and VTS if the TUC pulled out of the MSC (as they are considering doing)
- (b) the work of the MSC generally
- (c) the future / his future.

Agree? Yes not

AT

ps. I added a note by David on TVEI which he submitted to NEDO

1/3

Restricted

Mr. A. Turnbull



National Economic Development Council

NEDC(84)25

29 February 1984

Note by the Secretary to the Council

The attached personal note by Mr David Young on "Technical and Vocational Education" is relevant to the discussion of item 1 of the Agenda for the Council meeting on 7th March.

P V Dixon

National Economic Development Office
Millbank Tower
Millbank
London SW1P 4QX

Restricted

TECHNICAL AND VOCATIONAL EDUCATION: SOME PERSONAL REFLECTIONS

Note by David Young

1. Discussion about the education of engineers and technologists raises wider issues concerning technical and vocational education. This note is about some of these issues. It is based on my experience so far with the Technical and Vocational Education Initiative.

2. Several key points stand out:
 - a. the new technical and vocational education opportunities have proved very popular - with parents, teachers and, above all, the young people themselves. All projects are oversubscribed. The Initiative has caught the imagination of the clients. The main anxiety of the LEA s involved is the likely scale of demand for places next September.
 - b. TVEI is popular at all levels. Young people are being attracted from across the ability range;
 - c. it is proving harder effectively to tackle the traditional boy/girl bias in particular subject areas. Strong efforts are being made, with some success. This is, of course, of particular importance if the supply of engineers and technologists is to be improved;
 - d. the Initiative has released a surge of enthusiasm and commitment which, if sustained and tapped, will facilitate many developments on which progress might otherwise have been slow, eg increased collaboration and sharing between schools and colleges and, equally significantly, schools and schools (most TVEI projects are adopting the consortium approach); profiling and assessment to include those aspects of attainment not readily deduced from exam qualifications; and coherent, progressive, and relevant four year educational programmes across the ability range leading to a wide variety of qualifications.

3. A promising start has been made. But before outcomes emerge of the kind the Council (to judge from previous discussions) would want, several less welcome aspects have to be faced.
 - a. The projects have to deliver not only in terms of the intrinsic quality of the educational programmes on offer but also in

terms of the acceptability of the formal outcomes to employers, polytechnics, universities etc, and therefore ultimately to parents and young people. I am less than confident about this. Universities and employers are generally conservative in their approach to new kinds of qualifications and accreditation. Unless they are fully aware of TVEI-type developments, and support them (and make practical adjustments in entry requirements and further training/education programmes), such developments may lose their impetus.

- b. By September this year, TVEI will cover 59 LEAs in England and Wales and some 500 schools and colleges. There will be other projects in Scotland too. This is still only a small minority of schools within the LEAs concerned. A further 22 LEAs (whose project proposals cover some 130 schools and colleges) sought support under the scheme but their proposals could not at this stage be included. Many of the institutions which will be taking part are in the vanguard of educational development. Starting up with enthusiasts is one thing. Keeping it up and replicating is quite another.
- c. For there to be effective general extension of technical and vocational education on the TVEI model there must be systematic means of ensuring that the institutions concerned have specific aims within the general framework; that they develop the curricular and other components of their educational programmes in a way likely to fulfil the aims; and operate as far as possible co-operatively to produce the widest opportunities most cost effectively for the young people concerned. The coming test will be the extent to which the present educational system can generate and sustain this level of responsiveness.
- d. There are some emerging general constraints on the growth of technical and vocational education. For example, the expansion of technology education in schools is limited by the number of specialist technology and design teachers qualified to teach the modern subject and a prospective continuing shortage of supply. The growth in interest from schools in this area and some others (eg computer studies, business studies) is exceeding the present capacity of the system to respond.
- e. The examination system is regarded by many as being in a mess. The Council has recently had a full discussion on this. The point need not be laboured. But LEAs involved in TVEI

are increasingly seeing the need for a common and co-ordinated approach to examination matters and other issues of accreditation

- f. Employers have a key part to play and are not yet properly organised to play it. A lot can be done locally through the existing organisations but an overall strategy and thrust is lacking and seen to be lacking. The organisational structure is fragmented (in some cases threadbare) and much disorganised, unmanaged and unfocussed goodwill in industry is, in my judgment, going to waste.

4. None of these problems is wholly new. But their acuteness is sharpening. A concerted attack on them is important for the future of TVEI and the development of technical and vocational education more generally. TVEI may provide a focus in the short term, if it is properly developed and fully supported, but a more lasting and co-ordinated approach needs to be considered. Time is not on our side.



10 DOWNING STREET

From the Private Secretary

1 March 1984

Dear John.

Training for Jobs

The Prime Minister has seen your Secretary of State's minute of 24 February. She accepts that it will not be ideal to settle the rate support grants for 1985-86 and then deduct £65 million; but she understands that there are precedents. She also accepts that policy is subject to formal consultation with the local authorities: the question now is what proposals should be put to them.

The Prime Minister would be content to rest in public on the statement that the transfer to the MSC will be "taken into account in settling the relevant rate support grants". She doubts if it is necessary to describe to the local authorities the internal process by which the grant total will be reduced. But if Ministers are challenged to be more specific, she would be equally content to say that the Government intends to transfer £65 million of support for NAFE from the RSG to the MSC; as a matter of arithmetic, the RSG percentage will fall; but in the main, the government will simply be providing money to the local authorities through a different channel. The Prime Minister is content to leave the presentation to your Secretary of State; but she is clear that this is the policy objective.

I am sending copies of this letter to Elizabeth Hodkinson (Department of Education and Science), John Gieve (Chief Secretary's Office), David Norminton (Department of Employment), Callum McCarthy (Department of Trade and Industry), John Graham (Scottish Office), Colin Jones (Welsh Office) and Richard Hatfield (Cabinet Office).

Your sincerely
Andrew Turnbull

Andrew Turnbull

John Ballard, Esq.,
Department of the Environment.

CONFIDENTIAL

089

PRIME MINISTER

cc: Mr. Letwin

TRAINING FOR JOBS

Mr. Jenkin has returned once again on this tiresome subject. I believe the problem lies with one or two officials in DES and DOE who are refusing to accept the outcome of the Ministerial meeting. Two arguments are raised:-

- (i) One cannot deduct £65 million from an unknown sum for RSG. The answer is that this is not ideal or water-tight but it is the best that can be done. If it is not attempted, local authorities will be receiving a net increase in finance from Central Government, finance which Central Government must raise by taxes or borrowing. Despite DOE's protestations, there are precedents which they themselves have endorsed, e.g. the adjustment of £33 million in 1984-85 in respect of transport supplementary grant.
- (ii) To take a decision is inconsistent with the Government's promise and its statutory obligation to consult local authorities. But what is at issue is the agreement between Ministers on what proposals are put to local authorities.

Agree a reply on the lines of the attached draft?

Handwritten signature and initials in blue ink. The signature appears to be 'W. S. M.' and there are initials 'AT' written above it.

29 February 1984

DRAFT LETTER TO: JOHN BALLARD ESQ
DEPARTMENT OF THE ENVIRONMENT
2 MARSHAM STREET
LONDON SW1

TRAINING FOR JOBS

The Prime Minister has seen your Secretary of State's minute of 24 February. She accepts that it will not be ideal to settle the rate support grants for 1985-86 and then deduct £65 million; but she understands that there are precedents. She also accepts that policy is subject to formal consultation with the local authorities: the question now is what proposals should be put to them.

2. The Prime Minister would be content to rest in public on the statement that the transfer to the MSC will be "taken into account in settling the relevant rate support grants". She doubts if it is necessary to describe to the local authorities the internal process by which the grant total will be reduced. But if Ministers are challenged to be more specific, she would be equally content to say that the government intends to transfer £65 million of support for NAFE from the RSG to the MSC; as a matter of arithmetic, the RSG percentage will fall; but in the main, the government will simply be providing money to the local authorities through a different channel. The Prime Minister is content to leave the presentation to your Secretary of State; but she is clear that this is the policy objective.

3. I am sending copies of this letter to Elizabeth Hodgkinson (DES), John Gieve (Chief Secretary's Office), David Norminton (Department of Employment), Callum McCarthy (Department of Trade

C O N F I D E N T I A L

and Industry). John Graham (Scottish Office), Colin Jones
(Welsh Office) and Richard Hatfield (Cabinet Office).

ANDREW TURNBULL

28 FEB 1984

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SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

NRBM

AT 27/2

The Rt Hon Tom King MP
Secretary of State for Employment
Caxton House
Tothill Street
LONDON
SW1H 9NF

28 February 1984

Dear Tom,

TRAINING FOR JOBS

I have been following the correspondence about ways of ensuring that the proposal to transfer funds on non-advanced further education RSG to MSC does not lead to a net increase in expenditure.

I am of course not directly involved because the transfer outlined in the White Paper will not apply to Scotland. However I have noted your offer of a reduction of up to £5 million in grant in aid to the MSC in your letter of 21 February to Peter Rees. I would expect MSC activities in Scotland to be exempted from the effects of such a reduction. It may be proper for MSC activities in England and Wales to be abated in this way, but it would be quite wrong for the allocation of grant in aid for MSC activities in Scotland to be affected by your proposal. Should it be agreed I would ask you to bear in mind my concern on this point.

I am copying this letter to the recipients of yours.

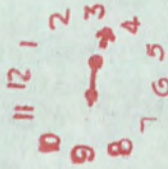
Yours ever,
George

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PRIME MINISTER

TRAINING FOR JOBS

I have seen the letter from your Private Secretary to mine of 15 February; and a copy of the letter from your Private Secretary to Keith Joseph's of 22 February. I have also seen Peter Rees' letter of 10 February and minute of 21 February, and Keith Joseph's letter of 14 February, and minute of 16 February. I am sorry to have to return to the charge, but the view the Treasury is now taking will put me in an impossibly difficult position. It is not what I understood to be intended; and it will place me in legal difficulties.

I had clearly understood the decision taken at the meeting of 20 December to relate to resources. The note of the meeting certainly used the term "RSG resources", but this is an ambiguous and unusual expression, since Rate Support Grant is not, under the accepted definition, public expenditure; nor does it count as resources, since it is treated as a means of financing expenditure, like rates. Moreover there is no future provision for RSG from which a transfer to the MSC could be made; in terms of public expenditure planning, a transfer to MSC must be made from the appropriate local authority expenditure programme. At a meeting of officials on 21 December this interpretation of our decision was put forward by one of my officials and apparently accepted by all present, including the Treasury representative.

Irwin Bellwin and I, in considering the issue discussed at the meeting of 20 December, had very much in mind that any reduction in block grant necessarily falls on authorities which do not provide education, as well as on LEAs. So the greater the reduction in grant relative to total expenditure, the greater the perceived injustice to non LEAs.



I would have been content to go along with Keith Joseph's suggestion that the matter should be left on one side for the moment. I agree with him that the reduction in expenditure on NAFE is only one of many factors to be taken into account when we come to settle the total of grant to local authorities for 1985-86. Besides, I think it important that in public presentation of the question we should be seen to be acting consistently with paragraph 46 of the White Paper, which says that "the resultant reduction in the need for local authority expenditure will be taken into account in settling the relevant rate support grants subject to consultation with the local authority associations".

I have considered Peter Rees' suggestion that £65m of the RSG for 1985-86 should be earmarked to be paid directly to MSC. This is not legally possible. The only other suggestion on the table is that we should settle grant in the normal way and then deduct £65m. He describes this as "an explicit discipline". In my view an agreement among ourselves to deduct £65m from a total that we have not yet decided would be logically indefensible. In law, we have to listen to what the local authority associations say and then take our decision in the light of their representations and all other relevant considerations. If this is not done, we are open to challenge in the courts. The local authority associations feel so strongly about this issue generally that such a legal challenge must be treated as a serious possibility.

I am sending copies of this minute to Keith Joseph, Tom King, Norman Tebbit, George Younger, Nicholas Edwards, Peter Rees and to Sir Robert Armstrong.

PJ

P J

24 February 1984

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10 DOWNING STREET

From the Private Secretary

22 February 1984

Dear Elizabeth,

TRAINING FOR JOBS

The Prime Minister has seen your Secretary of State's minute of 16 February and the minute from the Chief Secretary of 21 February. She sticks to the view, recorded in my letter to John Ballard of 15 February, that, as a consequence of the decision to give MSC a greater role in the provision of NAFE, RSG should be reduced by the same amount as the increase in the resources provided to the MSC.

She also agrees with the Chief Secretary that the mechanism by which the proposal is financed without generating an increase in public expenditure needs to be worked out now rather than incorporated as part of the negotiations on the 1985-86 RSG settlement.

I am copying this letter to John Gieve (Chief Secretary's Office), David Norminton (Department of Employment), John Ballard (Department of the Environment), Callum McCarthy (Department of Trade and Industry), John Graham (Scottish Office), Colin Jones (Welsh Office) and Richard Hatfield (Cabinet Office).

*Yours sincerely
Andrew Turnbull*

(ANDREW TURNBULL)

Miss Elizabeth Hodkinson,
Department of Education and Science.

✓



10 DOWNING STREET

Prime Minister ①

Although you knew that
RSG should be cut back by
the same amount as the
increase in spending on
NAFE by MSC, Sir Keith
is still arguing the toss.

The Chief Secretary's
minute to you puts the
matter very clearly. (Mr
Gregson has told me he
supports your interpretation)

Agree with CST?

AT

21/2

Yes no



FROM: CHIEF SECRETARY
DATE: 21 February 1984

PRIME MINISTER

TRAINING FOR JOBS

Keith Joseph's minute of 16 February suggests that there is a misunderstanding about the sum to be transferred from the RSG to the MSC. I am reluctant to bother you further; but we ought to clear it up. There are two main issues.

First, given that the taxpayer will give local authorities roughly £65 million more in 1985-86 through the MSC, should he pay £65 million less through the RSG? Keith implies that the answer is-no. I am sure that it is-yes. As Sir Robert Armstrong's paper of 12 December put it (in paragraph 26), "local authorities would not for the most part be losing resources: they would simply be getting them by another route".

Sir Robert Armstrong's paper floated, in parenthesis, the option of reducing the RSG by a lesser amount, so as to maintain the overall grant percentage (paragraph 6 of the paper). It would have been open to colleagues to propose this at your meeting on 20 December, but I do not remember that anyone did so. Had the alternative been raised, the Chancellor and I would have resisted it strongly, mainly because it would have made local authorities better off, and thus allowed them to increase their spending at the taxpayers' expense.

Second, should we identify amongst ourselves, both now and later, the transfer from the RSG to the MSC? As Keith says, we do not

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have a plan for the level of RSG in 1985-86. We have simply agreed that the RSG will be lower than it would otherwise have been. Keith suggests that this is just one of many factors to be taken into account when we come to settle grant. In one sense, that is clearly right. But I think we need an explicit discipline.

✓ We have taken a specific policy decision, and we need to carry
✓ it through. I have suggested that one option might be to settle grant in the normal way and then deduce £65 million. If colleagues would prefer, I should be equally happy to earmark £65 million of the RSG to be paid directly to MSC, if that is legally possible. There may well be other options. But we all - including Tom King - need to know where we stand. It is not sufficient to leave this to be lost amid the many other considerations which will ultimately determine the grant for 1985-86.

I am sending copies of this minute to the Secretaries of State for Education, the Environment, Employment, Trade and Industry, Scotland and Wales, and to Sir Robert Armstrong.

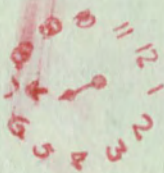
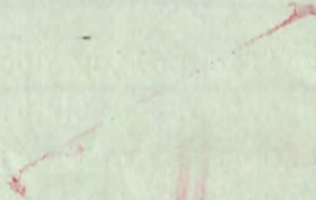
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PETER REES

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AP with Treasury ^{cc 40}
response



Caxton House Tothill Street London SW1H 9NF

Telephone Direct Line 01-213.....6400

Switchboard 01-213 3000

The Rt Hon Peter Rees QC MP
Chief Secretary
HM Treasury
Great George Street
LONDON
SW1

21st February 1984

Dear Peter,

TRAINING FOR JOBS

You wrote to me on 27 January mainly about taking forward the remit from the Prime Minister's meeting of 20 December to examine ways of ensuring that the proposal to transfer funds from the RSG to MSC does not lead to a net increase in expenditure.

I was greatly surprised by your approach to this question. I clearly recollect from the discussion at the Prime Minister's meeting that the danger of a net increase in expenditure was held to be very small. I can quite understand your concern that some courses will be persisted with by some colleges despite the reduction in grant. But I do not agree that many will be in that position.

It will not be the MSC's intention to start by disrupting existing NAFE provision. It will seek to agree the courses which it supports and any consequent changes in provision with the LEAs concerned. This should eliminate any question of LEAs increasing the overall amount of NAFE provision. The MSC will work out programmes with the colleges which take full account of their existing plans and which encourages them to see new developments growing out of, and therefore replacing, some present provision. The same consideration will ensure that the differing impact on authorities is minimised.



Moreover, it was clearly not our intention to introduce a change which would involve the MSC in finding from the resources allocated to its other programmes a substantial proportion of its extra expenditure to NAFE for that would negate our primary purpose. But if it would help in reaching agreement I will accept a maximum reduction of £5m in the MSC grant in aid on this account.

Copies of this letter go to those who received copies of yours.

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PRIME MINISTER

TRAINING FOR JOBS

Your private secretary's letter of 15 February crossed, I think, with my letter to the Chief Secretary of the previous day. - with ATT

At our meeting on 20 December there was indeed some confusion, for which I take my share of the blame, between local authority expenditure and its financing (ie from grant and rates). Part of the problem arises from the fact that MSC expenditure is classified as public expenditure, while RSG is not. We do not have a plan for the level of RSG for 1985-86. But paragraph 46 of the White Paper was clear about this. Plans for local authority expenditure are to be reduced by £65m and £110m; and "the resultant reduction in the need for local authority expenditure will be taken into account in settling the relevant rate support grants... subject to consultation with the local authority associations..."

As I said in my letter, the reduction in expenditure on NAFE is only one of many factors to be taken into account when we come to settle the total of grant to local authorities for 1985-86. May I suggest that we should leave the matter on one side for the moment? We must in any case consult the local authorities on these and other issues; and we shall be better able to judge in the autumn what level of grant will be appropriate to our general policies on expenditure and rates, including rate limitation.

I am sending copies of this minute to the Secretaries of State for the Environment, Employment, Trade and Industry, Scotland and Wales, the Chief Secretary and the Secretary of the Cabinet.

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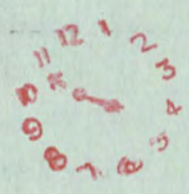
16 February 1984

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10 DOWNING STREET

From the Private Secretary

15 February 1984

Dear John,

Training for Jobs

The Prime Minister has seen the exchange of correspondence between your Secretary of State, the Secretary of State for Employment and the Chief Secretary. She is clear in her own mind that the proposal discussed at the 20 December meeting implied providing MSC with £65m extra from central Government and reducing RSG by an equivalent amount, leaving local authorities in aggregate no better and no worse off. She agrees that the effect of your Secretary of State's proposal would be to give local authorities an extra £65m from the MSC but to withdraw only about half that amount from the RSG. Your Secretary of State's letter of 8 February misquotes the record of the 20 December meeting. This did not refer specifically to 'resources' but to 'RSG resources'. It described the proposal as 'transferring to the MSC part of the RSG resources currently attributed to NAFE'.

I am copying this letter to David Norminton (Department of Employment), John Gieve (Chief Secretary's Office), Elizabeth Hodgkinson (Department of Education and Science), Callum McCarthy (Department of Trade and Industry), John Graham (Scottish Office), Colin Jones (Welsh Office) and Richard Hatfield (Cabinet Office).

Yours sincerely

Andrew Turnbull

(Andrew Turnbull)

John Ballard, Esq.,
Department of the Environment

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DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE, YORK ROAD, LONDON SE1 7PH

TELEPHONE 01-928 9222

FROM THE SECRETARY OF STATE

John Pinner

The Rt Hon Peter Rees QC MP
Chief Secretary
Treasury
Parliament Street
LONDON
SW1P 3AG

CHIEF SECRETARY
REC- 13 FEB 1984
Mr Gulpin
PPS P/ESS
MISC
Sir Middleton
Mr Bantay

14 February 1984

Mr Ansar Mr Cud
Mr Macke
Mr Laell
Mr Pestell
Mr Gordon
Mr Schlar
~~Mr~~

John Pinner

TRAINING FOR JOBS

mb 5/84

I very much agree with Patrick Jenkin's reply of 8 February to your 27 January letter. We have trouble enough with the local authorities, both generally and on education, without seeking to use our new policies on NAFE as a means of penalising them and their rate-payers through a premature and excessive reduction in grant. To the extent that these policies threaten the public expenditure planning totals in 1985-86 and beyond it must be right, as you suggest, to look for offsetting savings in Tom King's programme.

I have now seen your further letter of 10 February. I do not think we can proceed as your fourth paragraph suggests. As Patrick says, we must begin by reducing planned provision for local authority expenditure on NAFE. We shall then have a lower total of local authority current expenditure than would otherwise have been the case when we come to determine aggregate exchequer grant for 1985-86. This reduction is only one of the factors we shall need to take into account when making the RSG settlement for 1985-86.

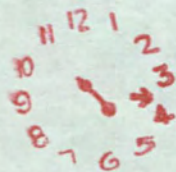
Officials here will be in touch with the Welsh Office and other Departments about the division between England and Wales of the planned reduction of £65m and £110m in local authority expenditure on NAFE.

I am sending copies of this letter to those who had yours.

John Pinner

10/18/2

17 JAN 1984



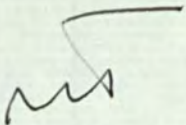
PRIME MINISTER

TRAINING FOR JOBS

The Treasury and Department of the Environment are now working out the financial consequences of the decision to give MSC greater responsibility for the financing of NAFE. The Chief Secretary proposed that MSC should increase its spending on NAFE by £65 million in 1985-86 and that RSG should be reduced by a corresponding amount. Mr. Jenkin wrote on 8 February proposing a different interpretation of the minutes of the 20 December meeting. He agrees that the public expenditure effect should be neutral but he suggests instead that LEA relevant expenditure should be reduced by £65 million and that the RSG proportion should be applied to the reduced total. The Chief Secretary has countered that this will leave LEAs approximately £30 - 35 million better off, i.e. they will receive £65 million from MSC but only lose about half this amount in grant.

I am sure that the Chief Secretary's interpretation is correct. Worse still, Mr. Jenkin's letter is guilty of selective misquotation of my letter of 21 December recording the outcome of the meeting. This did not talk about "resources but "RSG resources". It described the proposal as "transferring to the MSC part of the RSG resources currently attributed to NAFE".

Do you agree with the Chief Secretary's interpretation?

Yes  AT

13 February, 1984

CONFIDENTIAL



2 Papers

Treasury Chambers, Parliament Street, SW1P 3AG

Rt Hon Patrick Jenkin MP
Secretary of State
Department of the Environment
2 Marsham Street
LONDON
SW1P 3EB

10 February 1984

Less Secretary of State,

TRAINING FOR JOBS

Thank you for your letter of 8 February. I am sorry that we seem to be at cross purposes.

Surely the central point is simple. We have agreed to give £65 million to the MSC in 1985-86. They will spend it (largely) on local authority courses. The local authorities will thus have £65 million more income from the MSC, and will need £65 million less from the RSG. Switching £65 million from the RSG to the MSC will be broadly neutral for local authorities in aggregate. It will not be neutral authority by authority, but it is not meant to be.

You suggest that we could reduce the RSG not by £65 million but by the RSG percentage of Local Authority Current Expenditure - ie. by £30-£35 million. But this would leave local authorities, in aggregate, better off. That is no part of our policy. It would enable them to increase their spending, and thus be inconsistent with the Prime Minister's remit that there should be no net increase in expenditure.

I hope, therefore, that you will be able, on reflection, to accept my suggestion that we should agree the aggregate exchequer grant for 1985-86 in the normal way and then deduct £65 million. That seems the only sensible way to ensure that we make the reduction in the RSG on which we have agreed.

I should add one small gloss. For simplicity, I have referred in this and my earlier letter to a single transfer of £65 million. In fact, of course, there will be two transfers - the bulk from the English RSG, and the remainder from the Welsh RSG. I am sure we should all be grateful if you and Nick Edwards could agree the appropriate division.

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I am copying this letter as before.

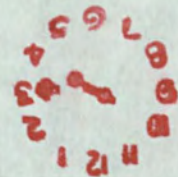
yours sincerely

MR

for PETER REES

(approved by the
Chief Secretary)

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13 FEB 1984

CONFIDENTIAL

MR TURNBULL9 February 1984TRAINING FOR JOBS

Patrick Jenkin's response to the Chief Secretary uses a highly selective quotation from your note on the meeting of 20 December to 'justify' the view that the transfer of NAFE funds to the MSC should come from LEA expenditure as a whole rather than from RSG alone. This would be a recipe for needlessly increasing Exchequer spending, since the Exchequer would be adding a new £65m to MSC resources, and would be reducing RSG by only £30m - a net additional cost of £35m.

I trust that the Prime Minister will therefore wish to make it entirely clear that £65m should be transferred from RSG to MSC to avoid an increase in Exchequer spending.

It is surprising that Patrick Jenkin "see(s) no point" in the Chief Secretary's proposal that the grant total should be first set and then adjusted downwards. The point of this manoeuvre is to ensure that the grant is reduced by as much as the MSC funds increase. The method is far from fool-proof, but it is the best that we can do.

The argument in Patrick Jenkin's third paragraph is specious. In purely technical terms, we shall be reducing the percentage of LEA expenditure borne by grant, since we shall be reducing both the RSG, and the total expenditure of which it is a part, by equal amounts. Some LEAs will no doubt say that this constitutes an attack on them. But in reality, these reductions in RSG will be matched by an equal increase in MSC funding for NAFE. If the LEAs are competitive enough with the private sector to attract almost all of the MSC funds, their effective grant percentage will not noticeably diminish. They will suffer only if they are not competitive. I hope that the Prime Minister will wish to make this clear in correspondence with DoE.

One further point should be noted, because it affects the interpretation that DoE and DES will place upon the first and second paragraphs on page 2 of the Chief Secretary's letter. A local

education authority should not be allowed to increase its grant related expenditure if the MSC shifts funds away from it to other LEAs or to the private sector. If we allowed such increases, we would effectively be preventing the MSC from rewarding good courses and penalising bad ones.

Oliver Letwin

OLIVER LETWIN

2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

My ref:

Your ref:

8 February 1984



Dear Peter,

TRAINING FOR JOBS

Thank you for sending me a copy of your letter of 27 January to Tom King.

I am most unhappy with your proposal for setting aggregate grant each year by first determining a global sum and then deducting the agreed transfers to the MSC. In the first place, the agreement between us was that £65m and £110m of resources should be transferred in England and Wales to the MSC in 1985-86 and 1986-87 respectively, not of grant. The distinction between the two was clearly brought out in the note from the Secretary of the Cabinet, and the note of the meeting of 20 December under the Prime Minister's chairmanship referred specifically to "resources". Paragraph 46 of the White Paper was carefully drafted so as not to imply that the increase in MSC provision would be matched by an equal reduction in grant.

Second, I see no point in agreeing a grant total which is then adjusted downwards. The simpler and more logical course is first to decide a figure for relevant expenditure - it is this figure which will be lower by £65m in 1985-86 than it would otherwise have been - and then to decide the amount of grant which is to be provided in support of it.

Third, we should avoid any suggestion in our discussions with local government that we propose to reduce both expenditure and grant by equal amounts. The arithmetical consequence of subtracting equal amounts from numerator and denominator would be a reduction in the grant percentage, which is not one of the purposes of our new policy. Indeed, we shall certainly be pressed by local government to say that it is not our intention to use the adjustment in public expenditure provision as an occasion for reducing the grant percentage, and I should like to be able to offer that assurance.

In principle I agree with your proposal for adjusting the PESC baseline, though since it is the education programme that will bear the adjustment, this is primarily for Keith Joseph in England and for Nick Edwards in Wales. As far as England is concerned, the methodology for translating the new control total into GREs will need to be discussed between my officials and Keith Joseph's; and we shall also want to hear the views of the local authority associations before reaching a decision.

CONFIDENTIAL

In principle, again, I agree with your suggestion for "NAFE-adjusted" budgets. But we shall need to look critically at the whole basis of targets for 1985-86, and I expect to be putting some suggestions on this to colleagues in the near future.

It was recognised at the Prime Minister's meeting that the decision to fund more work-related NAFE through the MSC could lead to an increase in public expenditure. I understand that my officials have already joined in a first discussion of your proposal that Tom King should reduce his expenditure allocation for other purposes.

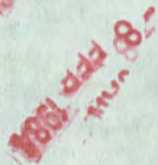
As you say, the second remit from the Prime Minister's meeting was "to examine the differing impact on local authorities and to devise a formula which would minimise it". I think that the proposals in your letter, modified to take account of my objection to your suggested means of settling the grant total, go as far as possible to fulfil this remit through the grant and PESC systems. There is still a risk that the high spending authorities may gain more than they lose; this is especially the case with ILEA, which has no block grant to lose, and for whom therefore any payment received from the MSC will be a bonus. But this could only be avoided if the MSC's additional expenditure on courses were to match exactly, authority by authority, the reductions in expenditure by LEAs.

I am sending copies of this letter to those who received copies of yours.

Your ee
Pat

PATRICK JENKIN

Education - TUEI 42.



Briefing Note

No. 4
2.2.84

1. TRAINING FOR JOBS

The Government has issued an important White Paper, 'Training for Jobs' (Cmnd.9135), which carries forward the dramatic progress in training that has been made since 1979.

The Government is revolutionising youth training. Its plans have been energetically put into effect by the Manpower Services Commission. As a result:

- 300,000 young people are already getting high quality work-based training under the Youth Training Scheme.
- A radical new technical education scheme has been launched for 14 to 18 year olds, to make the curriculum more suitable for less academic pupils.
- The reform of apprenticeships has begun, most notably in the engineering and electrical industries. Emphasis is now to be placed on standards achieved rather than on time served. The intention is that there should be agreed standards in all key occupations by 1985.

The new White Paper sets out plans for further reforms over the life of this Government.

In adult training, we will:

- More than double the number of adults trained, from 110,000 to 250,000; (half of the places are likely to be filled by those who are currently unemployed).
- Mount a national campaign to make people aware of the need for adult training.
- Restructure the Manpower Service Commission's adult training programmes to make them more cost-effective.
- Investigate the possibility of establishing a system of loans to help adults pay for training of their own choice.

We will also create new pressure for higher standards by putting vocational education into the market place. This will be achieved by redirecting funds from Local Education Authorities to the MSC. The Commission will then act as a 'customer', able to choose between vocational courses, both public and private. As a result, Local Authority Colleges of FE will have to compete for funds with one another and with the private sector. This competition will force LEAs to remove irrelevant courses and to reform those that are inadequately taught. By 1986-7, the MSC will control roughly 25 per cent (£200m) of public expenditure on work-related further education. It will give priority to courses in fields such as electronics, robotics, and business studies.

The Government will also:

- Consolidate the new Youth Training Scheme, and introduce a comprehensive system of certificates to ensure that standards are rigorously maintained.
- Extend the Technical and Vocational Education Initiative, launched in 1983, which provides vocational courses of direct, practical value for 14-18 year olds in schools and colleges.

As Mr Tom King, Secretary of State for Employment, has said, 'Britain's economic performance over the years has reflected the haphazard and inadequate way in which we have approached training our workforce... A well-trained workforce is essential to a strong economy... To achieve this, vocational education and training must be properly directed to the demands of the market-place' (31st January 1984).

AC/GG/SCB

2. GCHQ, CHELTENHAM

The Foreign Secretary's announcement on 25th January 1984, that employees at the Government communications headquarters can no longer be members of a trade union continues to reverberate.

The staff concerned are being offered £1,000 to compensate for a change in their conditions of service and the loss of certain rights.

As the Prime Minister explained on 31st January, the role of GCHQ had not been publicly acknowledged by any government until last year. At the time, Mrs. Thatcher described its functions as safeguarding the security of our own military and official communications and the provision of 'signals intelligence in accordance with the requirements laid upon it by the Government in support of the Government's defence and foreign policies' (Hansard, 12th May 1983, Col.430). Only after that statement was it practicable to apply the national security provisions of the Employment Protection Acts to GCHQ, following the practice already in force in the police and intelligence services.

Evidence of Disruption. The Prime Minister emphasized the importance of GCHQ as an operational establishment, whose main function was an intelligence role:

'It is absolutely vital that, where we are dealing with that kind of intelligence, the operation is continuous 24 hours a day, 365 days a year' (Hansard, 26th January 1984).

During the Civil Service dispute of 1979 and 1981 the work of GCHQ was put at risk. On seven occasions between February 1979 and April 1981 industrial action was taken which involved the loss of some 10,000 working days. The Prime Minister quoted from campaign documents prepared by the Council of Civil Service Unions:

'48 hours walkouts have severely hit secret monitoring stations belonging to the Composite Signals Organisation. The Government is clearly worried and will be subject to huge pressure from NATO allies'.

and

'Our ultimate success depends upon the extent to which revenue collection is upset, defence readiness hampered, and trading relations disrupted by this and future action'.

Mrs. Thatcher denied that the Government's action had been taken as a result of American pressure, or with the proposal to introduce polygraphs (lie detectors).

Workers' Rights. Employees at Cheltenham would still have rights of representation by a staff association and appeal through the Civil Service appeals procedure. The action taken was not only in line with legislation and existing practice but consistent with the regulations of the International Labour Organisation.

Suggestions for a no-strike agreement are being considered by the trade unions but the Prime Minister has said that this 'would not give a sufficient guarantee of protection for the work of GCHQ' (Hansard, 31st January 1984, W.A. Col.120).

On 1st February union leaders, together with the T.U.C. General Secretary, Mr. Len Murray, went to Downing Street to express their 'shock and outrage'. A statement after the meeting said that each side had reaffirmed its position:

'The Prime Minister made it clear that the Government's decision and the offer to GCHQ staff stand. The Prime Minister said that if the unions wish to meet her again she would be prepared to do so and the unions accepted her offer'.



10 DOWNING STREET

Prime Minister ⁽²⁾

You may like to see a copy of the King's statement. It went rather well, with good support from the Government benches. The Opposition was left to carp about lack of "new money" for the vocational training initiative, and lack of consultation with local authorities.

AT

31/1



PRIME MINISTER

WHITE PAPER: 'TRAINING FOR JOBS'

As you know our White Paper 'Training for Jobs' is to be published today, and I enclose a copy. Also enclosed is a copy of the Statement I will be making this afternoon after Questions. A parallel statement will be made in the House of Lords.

Copies of this minute, the White Paper and the Statement go to Members of the Cabinet, and to Sir Robert Armstrong.

TK

TK
31 January 1984

ORAL STATEMENT

1 WITH PERMISSION MR SPEAKER I WISH TO MAKE A STATEMENT ABOUT VOCATIONAL EDUCATION AND TRAINING.

2 THE GOVERNMENT IS TODAY PUBLISHING A WHITE PAPER "TRAINING FOR JOBS". THIS IS PRESENTED JOINTLY BY MY RIGHT HON FRIENDS THE SECRETARIES OF STATE FOR EDUCATION AND SCIENCE, FOR SCOTLAND AND WALES AND MYSELF. COPIES ARE AVAILABLE IN THE VOTE OFFICE.

3 A WELL TRAINED WORK FORCE IS ESSENTIAL TO A STRONG ECONOMY AND TO WIN BACK JOBS; TO ACHIEVE THIS, VOCATIONAL EDUCATION AND TRAINING MUST BE PROPERLY DIRECTED TO THE DEMANDS OF THE MARKET PLACE.

4 TWO YEARS AGO WE PUBLISHED OUR FIRST WHITE PAPER ON TRAINING. AT THAT TIME WE SET OUT THREE OBJECTIVES: FIRST, TO IMPROVE VOCATIONAL EDUCATION AND THE TRANSITION FROM SCHOOL TO WORK; SECOND TO MODERNISE APPRENTICESHIP AND OTHER SKILL TRAINING; AND THIRD, TO OPEN UP WIDER TRAINING OPPORTUNITIES FOR ADULTS.

5 SINCE THEN WE HAVE MADE CONSIDERABLE PROGRESS. ALREADY MORE THAN 300,000 YOUNG PEOPLE HAVE ENTERED THE YOUTH TRAINING SCHEME. OUR NEW INITIATIVE IN CO-ORDINATED TECHNICAL AND

VOCATIONAL EDUCATION FOR YOUNG PEOPLE BETWEEN 14 TO 18 WAS LAUNCHED LAST SEPTEMBER. 14 LOCAL EDUCATION AUTHORITIES CO-OPERATED IN PILOT SCHEMES AND A FURTHER 46 HAVE NOW BEEN INVITED TO JOIN THE SCHEME, STARTING IN SEPTEMBER.

6 IN THE REFORM OF APPRENTICESHIP ARRANGEMENTS IMPORTANT IMPROVEMENTS HAVE BEEN MADE IN ENGINEERING, ELECTRICAL CONTRACTING, PRINTING AND THE CONSTRUCTION INDUSTRIES. THE OPEN TECH PROGRAMME IS NOW WELL UNDER WAY, WITH AS MANY AS 50,000 PEOPLE EXPECTED TO TAKE ADVANTAGE OF THIS NEW FACILITY NEXT YEAR.

7 THESE SPECIFIC NEW INITIATIVES HAVE INVOLVED MAJOR EFFORTS BETWEEN EMPLOYERS, TRADE UNIONS, LOCAL AUTHORITIES, VOLUNTARY ORGANISATIONS, COLLEGES, SCHOOLS AND THE CAREERS SERVICE AND THE SUPPORT AND INTEREST OF MANY HON MEMBERS OF THIS HOUSE, TO WHICH I READILY PAY TRIBUTE.

8 THE WHITE PAPER ALSO SETS OUT THE CRITERIA AGAINST WHICH WE SHALL MAKE OUR FUTURE PLANS, AND ANNOUNCES CERTAIN SPECIFIC PROPOSALS. CENTRAL AND LOCAL GOVERNMENT HAVE AN IMPORTANT PART TO PLAY, IN VOCATIONAL EDUCATION AND TRAINING. BUT REAL SUCCESS DEPENDS CRUCIALLY ON THE PART PLAYED BY EMPLOYERS AND TRAINEES THEMSELVES. THE DECISIONS AS TO WHO IS TRAINED, WHEN AND IN WHAT SKILLS, ARE BEST TAKEN BY EMPLOYERS (AND INDEED THE INDIVIDUALS CONCERNED) WHO KNOW BETTER WHERE THE REAL NEEDS ARE.

9 SO INVESTMENT IN TRAINING MUST BE COST EFFECTIVE, FLEXIBLE, ADAPTABLE TO CHANGING TECHNOLOGY AND FREE OF OLD-FASHIONED RESTRICTIONS.

10 I NOW TURN TO ADULT TRAINING. THE MANPOWER SERVICES COMMISSION RECENTLY SUBMITTED TO ME PROPOSALS FOR A NEW ADULT TRAINING STRATEGY. WE FULLY SUPPORT THE COMMISSION'S CALL FOR A NATIONAL CAMPAIGN TO RAISE AWARENESS, AMONGST EMPLOYERS AND ALL CONCERNED OF THE VITAL IMPORTANCE OF TRAINING.

11 WE SUPPORT TOO THE NEED TO PROVIDE WIDER OPPORTUNITIES FOR THE TRAINING OF ADULTS TO MEET NEW SKILL REQUIREMENTS. WE THEREFORE ENDORSE THE COMMISSION'S PROPOSALS TO RESTRUCTURE THEIR EXISTING PROGRAMMES TO DOUBLE THE TOTAL NUMBER OF ADULTS TRAINED UNDER MSC COURSES TO OVER 250,000 A YEAR. THIS WILL INCLUDE A SIGNIFICANT INCREASE, TO SOME 125,000 IN THE NUMBER OF UNEMPLOYED RECEIVING TRAINING.

12 THE GOVERNMENT HAS AGREED TO CONSIDER FURTHER TWO PROPOSALS BY THE COMMISSION. THE FIRST OF THESE IS THAT THERE SHOULD BE SOME TRAINING INCLUDED FOR PEOPLE ON COMMUNITY PROGRAMMES. THE SECOND OF THESE IS THAT SOME ADULT TRAINEES COULD BE HELPED BY A GUARANTEED LOAN SCHEME TO ENABLE THEM TO OBTAIN TRAINING NOT OTHERWISE AVAILABLE TO THEM. THE GOVERNMENT RECOGNISES THAT THIS COULD WELL BE OF INTEREST TO A NUMBER OF PEOPLE, AND I CONFIRM THAT WE SHALL BE READY TO CONSIDER IT FURTHER WITH THE MSC AND OTHERS CONCERNED.

13 THE WHITE PAPER ALSO ANNOUNCES IMPORTANT NEW ARRANGEMENTS WITHIN VOCATIONAL EDUCATION. IT IS VITAL TO GET THE CLOSEST POSSIBLE COLLABORATION AT LOCAL LEVEL BETWEEN EMPLOYERS, LOCAL EDUCATION AUTHORITIES AND COLLEGES, AND OTHER PROVIDERS OF VOCATIONAL EDUCATION AND TRAINING, IN IDENTIFYING AND MEETING THE REAL NEEDS FOR FUTURE EMPLOYMENT IN THEIR AREAS. THE MANPOWER SERVICES COMMISSION, WHICH INCLUDES REPRESENTATIVES FROM INDUSTRY AS WELL AS LOCAL AUTHORITIES AND PROFESSIONAL EDUCATIONAL INTERESTS, AND WHICH HAS AN ESTABLISHED LOCAL NETWORK IS WELL PLACED TO ASSIST IN THIS ROLE.

14 THE GOVERNMENT HAS THEREFORE DECIDED TO ASK THE COMMISSION TO EXTEND ITS RANGE OF OPERATIONS SO THAT IT CAN DISCHARGE THE FUNCTIONS OF A NATIONAL TRAINING AUTHORITY. WE PROPOSE TO INCREASE THE COMMISSION'S RESOURCES DEVOTED TO WORK RELATED NON-ADVANCED FURTHER EDUCATION IN ENGLAND AND WALES FROM SOME £90 MILLION NOW TO SOME £155 MILLION IN 1985/86 AND £200 MILLION IN 1986/87. IT WILL THEN REPRESENT ABOUT ONE QUARTER OF THE TOTAL PUBLIC SECTOR PROVISION FOR THIS AREA. THE RESULTANT REDUCTION IN THE NEED FOR LOCAL AUTHORITY EXPENDITURE WILL BE TAKEN INTO ACCOUNT IN SETTLING THE RELEVANT RATE SUPPORT GRANTS FOR THOSE FUTURE YEARS.

15 THE COMMISSION IS BEING ASKED TO BEGIN CONSULTATIONS IMMEDIATELY WITH EDUCATIONAL INTERESTS, EMPLOYERS AND OTHER INTERESTED PARTIES SO THAT PLANS CAN BE SETTLED IN GOOD TIME FOR THE BEGINNING OF THE 1985-86 ACADEMIC YEAR.

16 IN 1983/84 WE EXPECT TO SPEND £960 MILLION ON TRAINING. IN 1984/85 WE PLAN TO INCREASE THIS TO £1100 MILLION. THIS IS IN ADDITION TO THE £2½ BILLION SPENT BY EMPLOYERS, AND THE SUBSTANTIAL SUMS WITHIN THE FURTHER EDUCATION SECTOR. IT IS VITAL TO ENSURE THAT THESE FUNDS ARE ALL USED TO THE BEST POSSIBLE EFFECT. THIS WHITE PAPER SETS OUT THE GOVERNMENT'S CONTINUING PROGRAMME TO ENSURE THAT AS A NATION WE ARE PROPERLY TRAINED TO MEET THE CHALLENGES OF THE YEARS AHEAD.

+ 14.5%

file

SECRET

until 31/1/84

17

"Training for Jobs"? Where are the jobs coming from?

Where jobs normally come from in a market economy - from the success of people in identifying a market demand and meeting it competitively.

We want to convey three things in talking of "training for jobs". The first message is that training is of most value if it is related to work and used in a job. So don't let us waste scarce resources on training in a vacuum. Instead, let us focus on training to meet working needs; let us rely on employers and trainees to identify those needs, not on Government; and let us develop a training system which can respond quickly and flexibly to those needs.

The second message is that people who are trained to do their jobs well will produce more efficiently. So training must be treated as an investment and, in order to secure enough of it, we need to maximise the prospective return for those who do the investment, whether they are employers or trainees.

And the third message is that an efficiently trained workforce will make our industry and commerce more competitive and responsive to new opportunities and so enable us to secure a larger share of developing world markets. It is therefore an important factor in attaining higher output and higher employment. So it is training to create jobs too.

Will the Government bring more employed youngsters into the YTS?

A significant proportion [10%] of young people already on YTS are already employees. The recent change in YWS rules will help bring into the Youth Training Scheme more 16 year olds who would otherwise have been employed under YWS. The estimates for recruitment to YTS in 1984/85 assume that employers will bring more employed youngsters into the Scheme under the "additionality" rule. This is of course a matter for them [but there is evidence that more employers are recognising the value of YTS as helping to bridge the gap between school and work, for all the youngsters whom they take on.]

SECRET

FUNDING OF TRAINING (paras 6-14)

Is the Government still considering a remissible tax or levy on employers to pay for training?

The Government has no proposals for introducing any new tax or levy for this purpose.

Does the Government intend that employers should make a bigger contribution towards the costs of YTS?

The Government currently bears most of the costs of foundation training including YTS and the White Paper makes no proposal for change.

Does the Government intend to switch more of the costs of training on to employers?

The White Paper does not propose any reduction in the current levels of taxpayer support for YTS and adults, though it does propose putting some of these funds to better use in training. What it does do is to set out the primary responsibility of employers for making the necessary investment in training to meet their own needs and what is needed to make it easier for them to do so.

What happened to the funding study referred to in the 1981 White Paper?

The Government has since considered the questions as they have arisen in considering the arrangements for youth and adult training over the past 2 years and its conclusions on funding generally are now set out in the section of the White Paper on roles and responsibilities.

Will trainees be expected to meet more of the costs of training?

One of the ^{significant} differences between us and our competitors is in the relative level of trainee pay. In Germany young trainees get on average about 25% of the full wage ^{in the UK the figure for apprentices is 60%.} / If employers are to be expected to invest more in training, it must be made financially more attractive and it is crucial that trainee pay, and allowances for those not in jobs, should reflect the value to trainees of the training they are getting. [The proposals for training loans put forward by MSC are mainly intended to help adult employees who want to improve their skills and are prepared to pay for it if only they can get initial financial help.]

What is the Government's message on funding?

That training is an investment. If employers and individuals are to invest, they need to be able to see a return. This means reducing training costs, speeding training, and removing unnecessary obstacles to training and subsequent use.

SECRET

DEVELOPMENTS WITHIN EDUCATION (paras 16-19)

What are you doing to encourage progress in the schools?

The Secretary of State for Education recently put forward fundamental proposals for developing school education and methods of assessment of achievement. A prospectus for radical change to equip young people better for adult and working life and raise standards of school education across whole ability range. Now pressing ahead with discussing proposals with the education service: much encouraged by general reaction.

How will your plans for school education help prepare pupils better for working life?

A generally agreed set of objectives for school education and an assessment system which will record better what pupils can actually do will motivate pupils to achieve more. It will also be of great help to employers, who do not always send clear signals to the schools about the knowledge, skills and personal qualities they would like to see in their recruits.

Co-operation between schools and employers is an essential component of progress.

Vocational education post-16: When will the CPVE be introduced?

In 1985/86, following interim arrangements for accrediting existing pre-vocational courses. The Joint Board which is responsible for the new qualification aim to publish a Consultative document in the spring. They are aware of the possibility that a part-time variant could be needed for YTS trainees. It is intended that the CPVE should form part of a national system of pre-vocational education - full and part-time; pre and post-16.

TVEI: What progress is being made?

14 schemes are currently in operation. Another 46 schemes will begin in September 1984, when Scotland will also be entering the scheme. Extremely gratifying to see the widespread acceptance of the idea and the readiness to engage in its development.

SECRET

YOUTH TRAINING SCHEME (paras 20-31)

YTS has failed to attract young people as anticipated. Does this not show it is already a failure?

YTS has already attracted over 300,000 entrants in its first 8 months and effectively met the undertaking to offer places by Christmas to all 16 year old school leavers who remained unemployed on leaving. This is a remarkable achievement in a new and radical scheme and shows the commitment of all concerned.

Don't the empty places show MSC got its figures wrong?

The estimates of numbers of places required are based on best available forecasts - national and local - but forecasting is notoriously difficult. Glad to say one of the chief reasons for the smaller number of young people on the programme is that more of them have found jobs. The most important task was to provide enough places and this has been done.

Can employers/sponsors be sure their places will not be empty next year as well?

No cast-iron assurances can ever be given. Estimates of places required next year more firmly based on first year's experience of the scheme.

Will the commitment of local authorities and other sponsors be maintained in the light of the Government decision to cut back Mode B next year?

There is of course a plan for Mode B but The Government is clear that YTS should be employer-led. / other things being equal, we would prefer to see youngsters catered for under Mode A. There must be many who have gone into Mode B places this year (including training workshops and community projects) who could have benefitted from Mode A. The numbers the Government was prepared to agree for next year are actually more than the current number of filled places.

Isn't YTS just another 'cheap labour' scheme?

No. A scheme providing a year of good quality training both on and off-the-job. Proposals vetted locally by Area Manpower Boards before they are approved. And all schemes are regularly monitored and assessed. I am confident that YTS is providing a really worthwhile training to the vast majority of participants.

How many will get jobs on leaving YTS?

Cannot predict. No scheme can generate real jobs. Clear from experience this year that many young people are finding permanent jobs. Skills learnt on YTS will help young people compete for jobs available; will aid their progress to

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further training; and by enabling them to do the jobs they obtain more efficiently will contribute to our competitiveness and hence ultimately to higher employment. More immediately, the recent change in YWS rules will help more young people get jobs on leaving YTS.

Are the links with education good enough?

There are good links between YTS and education service. This has been a notable feature of the scheme. But we can always do better and that is what we are trying to do in all the steps set out in this White Paper.

Will grants to sponsors/managing agents go up in 1984?

I shall want to ^{hear} the Commission's views on the need for an increase. [If pressed I do not envisage any possibility of increase before the Autumn.]

What about the level of allowance?

The Commission will look at this early in the summer and will make recommendations to the Government.

Will the review of SB entitlement lead to a reduction in the YTS allowance?

As we promised in 1982 we are going to review the question of entitlement this year. I am not going to speculate about the outcome. [For information The 1981 White Paper announced an intention to withdraw SB entitlement from minimum age school leavers guaranteed a place on YTS. It was mentioned that they should be regarded as dependent on their parents, like their peers still in school. On this basis an allowance of £15 was proposed. But this was not proceeded with following the Youth Task Group report recommendation that entitlement should continue and the allowance should be kept at £25 within the resources made available for the scheme.]

Why did the Government not decide to extend YTS to include more 17 year olds?

The Commission has taken tremendous strides in getting the scheme off the ground. The Government believes that there is now a need for a period of consolidation, so that all concerned can concentrate on developing the scheme as it stands and ensuring that training is provided to the required quality, without needing to take account of major changes in coverage. The scheme is likely in any case, on the basis of the existing client groups, to be significantly bigger in 1984/85 than it is this year. [If we had extended the Scheme as MSC proposed this would have had no significant effect on

SECRET

unemployed 17 year olds: and the employed, by definition, at least have the benefit of a job. 7

The White Paper says YTS is voluntary. How can it be if young people lose their benefit?

training place.
has definite offer of a suitable job or/
The rules on that are the same for anyone who/I think few people would maintain
that the ^{community} / should support those who won't work or train

The question of individual entitlement is different and was clearly put in the 1981 White Paper. The main point at issue there is whether the generality of young people, who if at school, are regarded as dependent on their parents, should continue to be treated differently for benefit purposes when they are out of school.

Will colleges of further education continue to participate in YTS on existing financial terms?

The local authority associations are currently negotiating with the CBI about the level of fees for the off-the-job element of the Scheme in 1984/85. [The Government is aware that some local authorities have not been able to recover their full costs in participating in YTS in 1983/84 because fewer places have been filled than expected. Ministers will be meeting the local authority associations shortly to discuss their request that YTS-related spending should not be taken into account for the purpose of calculating penalties for overspending.] 7

SECRET

What are the changes in YWS rules which will help more young people get jobs on leaving YTS?

Essentially from 1 April YWS will not be available to help 16 year old school leavers but will concentrate on 17 year olds. In particular those who have been trainees for a year on YTS will be eligible for YWS. After 1 April for new entrants to YWS there will be a single rate of subsidy (£15 a week) in respect of eligible young people earning £50 a week or less.

(Announcement made on 20 December).

Will more training be provided for the unemployed through CP?

The MSC have recommended a move in this direction. It is one of the points which will be looked at in the assessment of whether modification should be made to the Community Programme to increase its effectiveness, which the Secretary of State announced on 16 November, when he stated that the Programme would continue for a further 2 years from October 1984.

SECRET

YTS SUPPORT FOR FIRST YEAR OF SKILL TRAINING

The Government is committed to opening up access to skill training to people of all ages. Why is YTS funding limited to 16 year old school leavers and certain 17 year olds?

Open access is the objective here as the White Paper makes plain (para 36). This is the ^{responsibility} / of employers and trade unions with assistance from industrial training, standard setting and validating bodies. The provision of occupational skill training is also basically the responsibility of employers. The Government - or rather the taxpayer - is making a very big financial contribution both through the YTS to initial skill training and through the proposals for restructuring the MSC's aid for adult training.

What is meant by a broadly-based year? Does that mean that the Government expect major changes in current industry training arrangements?

Young people need nowadays to be able to apply skills and knowledge across a range of potential jobs and initial skill training has to provide for this. This requires changes in current training arrangements, but not necessarily wholesale since many apprenticeship schemes are designed to provide a basis for the subsequent stages of training. A number of industries where some change is required, are already in discussion with the Manpower Services Commission and identifying appropriate ways forward (eg construction).

SECRET

TRAINING IN OCCUPATIONAL SKILLS (paras 32-37)

The collapse in apprentice training noted by the White Paper suggests that funding under YTS is insufficient to encourage employers to maintain such training?

No. As a matter of fact the resources available under the Youth Training Scheme to help support employers' initial training costs far exceed those available under previous programmes. The correct lesson is the one drawn in the White Paper (para 34-35) and by a number of industries already - namely, the need to reform skill training arrangements so that they are prompt, flexible and cost effective and so a better investment for industry and commerce.

How can training be modernised?

In the ways stated in the White Paper (paras 34-37). First, we must see that people are not debarred from training by unnecessary barriers such as age limitation. Secondly, we need to define clear standards of skill. Thirdly, recognition should be accorded to those who can demonstrate their competence.

How do these modernised arrangements promote flexibility?

They remove barriers to access; and they enable people to undertake just that training required to reach the prescribed level of skill. That means breaking away from fixed course lengths; from the same course content for everyone regardless of their knowledge or experience; and it means greater scope to respond quickly to skill needs by up-grading and re-training adults rather than relying solely on the long-term training of young people.

What needs to be done to achieve this flexibility in practice?

First, employers and trade unions need to negotiate training arrangements based upon agreed standards of skill. Secondly, we need to organise training into specific modules so that employers and individuals can select the elements they require. Thirdly, we need to look hard at the way we deliver training including the opportunities provided by advances in training technology. Finally, we need to develop testing and assessment system to determine whether people have reached the required standards.

SECRET

Is there a danger of standards becoming out-of-date?

Yes. And out-of-date standards can get in the way and limit the flexibility we are seeking to create. It is imperative that any specified standards are kept under close review and are amenable to rapid change.

Are these changes really going to solve skill shortages and provide wider opportunities for people to train? Surely to achieve that more Government money is needed to support training provision?

They are the right way forward. These are areas where Government support is needed and we are giving it: paragraph 11 of the White Paper sets out the Government role. In real terms that support has increased enormously since 20 years ago - up from £10m to £1b a year. But we are quite sure that the decisions as to who is trained, when and in what skills are best taken by the employers (and indeed individuals) concerned rather than by central direction. All too often in the past Government support has been ill directed or seen as an opportunity for industry to reduce its own investment.

How can industry do what is needed without stronger statutory support?

Statutory training boards have been retained in major sectors of the economy, including engineering and construction. We need structures and leadership in which industry has confidence. That is, I believe, generally the case with the voluntary training arrangements that have now superseded statutory boards in many other sectors.

SECRET

How can statutory ITBs help when, as in engineering, they have lost the confidence of some of the key employers in their industry?

Of course statutory Boards must have the support of their industries. I am aware of the concerns some important employers in engineering have expressed and I will be meeting them shortly to discuss how we can restore their confidence in the training arrangements with their industry.

SECRET

ADULT TRAINING (paras 38-42)

Why do we need more emphasis on adult training and retraining?

Because the pace of change in technology and markets means that people can no longer be trained once/ⁱⁿtheir life time. Yet our training arrangements still focus too much on young people. We need to pay more attention to updating our human capital as well as our technology.

What is the Government trying to achieve?

A new attitude to adult training among employers, individuals, and providers; a more flexible and more accessible system of provision and of assessment that meets the needs of both employers and individuals and more cost-effective use of public money spent on training and vocational education.

Can this be achieved through a "market-oriented" approach?

Given proper information, employers are best placed to judge what training is needed. The Government's main role is to create the right framework within which they can operate. A "market-oriented" approach is essential to achieve a flexible response to changing needs and to ensure that training is related to employment.

Can change be achieved without spending more?

The problem is not a lack of expertise or facilities but how to deploy them more effectively. That calls for new attitudes on the part of employers, individuals, and providers and for organising provision in more coherent, flexible, and efficient ways. By redirecting existing resources the Government can provide a powerful stimulus towards the changes required.

What does the Government expect employers to do?

We expect employers to recognise the importance for their own businesses of adequate investment in training and retraining. Many employers already make such an investment; we want more to come up to the standard of the best. We want them to see training as a capital item rather than current spending.

But will trade unions accept the new adult initiative?

The TUC/^{Commissioners}support the MSC's recommendations on adult training. Union members' jobs depend on their ability to update their skills. Of course some craft unions seek wider access to skilled occupations. But employers and unions in the industries concerned are working to find a solution within the framework of Objective 1 of the New Training Initiative.

SECRET

What steps is the DES taking to increase training opportunities for adults?

Since May 1982 the Department has been engaged in a programme to encourage colleges, polytechnics and universities to provide updating for those in employment. / ^(PICKUP) The Department also grant aids ALBSU (the Adult Literacy and Basic Skills Unit) which exists to help adults develop the skills they need to cope with life and work.

What is the difference between MSC and DES-run schemes of vocational education and training for adults?

MSC and DES are in close contact over adult education and training and their schemes should be regarded as complementary elements in the Government's overall strategy. Indeed, they plan a programme on local collaborative projects which will be jointly funded and jointly managed.

They address the same general problems so far as updating is concerned but the Department approaches them from the angle of how best the education service can meet the needs and demands of employers whereas the MSC approaches them from the angle of how the employers can best meet their needs - through the education service or elsewhere.

Will the education service respond?

There is a strong commitment in many LEAs and colleges to help with adult retraining. And as the numbers of young people decline, it will be increasingly important for colleges to market their services in the adult field. The education service is already responding positively to the Open Tech. We intend to help them respond even better by mounting local projects to pump-prime and demonstrate new approaches to collaboration between employers and education and training providers (para 38).

Does the new approach mean less emphasis on helping the unemployed?

No. We want to help more unemployed people and help them more effectively. The measures now announced and those the Government is considering would directly help 125,000 unemployed people as against 80,000 now.

What will the "national awareness" campaign achieve?

A central message from those consulted by MSC was the need for new attitudes by employers, individuals, and providers to adult training. We do not start from scratch, but there are important messages to put across. The MSC will be talking to CBI, TUC, and others involved to discuss how they can best be

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communicated as part of a truly national campaign to which the Government will be one, but not the only, contributor.

When will this campaign begin?

Effectively with this White Paper and we are encouraging the campaign building up from the middle of the year.

How will the Government encourage collaboration locally between employers and providers of education and training?

MSC and Education Departments intend to work together to mount projects to pump-prime and demonstrate ways in which employers and providers can collaborate better to identify and meet local needs of industry and commerce. We envisage both projects building on existing initiatives and projects building collaboration from scratch.

Over £1m is available to support them eg in identifying needs and training staff. MSC and the Education Departments expect to be able to invite bids for financial support early in 1984-85 financial year and will be looking for a commitment of resources from the participants. 7

What will the Commission do to improve the working of the training and education market?

The Commission will aim to:

- improve the information available on training;
- encourage the development of new methods of delivery of training;
- stimulate the development of the training infrastructure eg by paying bodies to carry out training on its behalf, and by encouraging arrangements to ensure that enough good trainers are available.

What will happen to TOPS?

- or some courses placement rate well below 50% -
Too many TOPS courses are currently not leading to jobs/so MSC will concentrate provision on skills in real demand (eg in the technician and new technology areas). And training will be more closely linked to individual employers' needs. This will be supplemented by other more cost-effective measures for the unemployed such as short recruitment and training packages to help people compete for jobs.

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What is the rationale behind the programme of further help for unemployed people?

Many adults lack basic skills such as numeracy or computer literacy which the economy increasingly demands. When made unemployed they can find it very hard to get a job and may lose the motivation to do so. We want to help them become more employable (and trainable) by helping them assess themselves, get a foundation of basic skills, and rebuild their confidence. We already make such provision within TOPS; we intend to make it more effective and more flexible.

Are we not just "padding the figures" of help for the unemployed by offering short courses of limited content in place of real training which we are cutting?

No. There is no point in keeping occupational training courses which do not lead to jobs. The shorter "work preparation" type of training meets a vital need to prevent significant numbers of people becoming unemployable because they lack basic skills.

What is proposed in training for self-employment and small businesses?

MSC already runs successful courses under TOPS to train people to become self-employed or to set up businesses of various sizes and ^{their coverage} will be expanded eg to people who remain employed while taking the course. MSC also intends to develop provision geared to the needs of people on the Enterprise Allowance Scheme. Local small business organisations will be encouraged to play a greater and more effective role in small business training.

Won't these proposals mean that less is done for the least well-off-the disabled, ethnic minorities etc?

No. The MSC's proposal include a commitment to ensure that the targetting and content of its mainstream provision would take appropriate account of the needs of these groups, and would continue to make special provision where that was the appropriate response.

What will be the effect on industry training organisations, including ITBs?

Industrial training boards and other ITOs will continue to have a key role in their industries, helping firms to assess and meet their training needs, pioneering new forms of training and helping introduce reformed patterns of

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occupational training in line with the New Training Initiative. They will also be involved in particular in programmes to deliver training in key skills identified, at national level.

How does the Open Tech programme fit in?

It has a key role to play in making access to training easier for individuals and companies, encouraging responsiveness from providers, and supporting new forms of provision. Within 2 years it is expected to be offering such opportunities to as many as 50,000 people.

What role will the skillcentres play in adult training?

Like other training providers, skillcentres will need to adjust to changing market demand for employers and individuals. The new Skillcentre Training Agency will ensure that skillcentres will adopt a commercial approach in identifying and supplying the training that the Commission and employers want.

How will the proposed loan scheme work?

The idea is to supplement, not replace existing means of funding, and to increase the number of opportunities available by making it easier for adults to borrow money to pay for training. The mechanism proposed by MSC to the Government is that the MSC should guarantee loans made to individuals by financial institutions, not make loans itself. We shall be studying the possibility of mounting a pilot scheme to test the idea.

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Cutbacks by closures of skillcentres?

The Manpower Services Commission last week considered the strategy to be adopted by the Skillcentre Training Agency to meet its objective of providing an efficient training service and recovering its operating costs. I understand that un-economic classes which have no foreseeable demand are likely to be closed fairly soon although no closures of whole skillcentres are planned - unless it made sense to consolidate in one building 2 adjacent partially occupied ones. Over the next few months the Agency will make vigorous efforts to expand its training business and find new customers. A review of the business of each skillcentre will be carried out to assess the extent of likely future demand for its services. The Commission plan to consider the results of this review in September.

Wholesale redundancies in skillcentres?

Closures of classes will mean reductions in posts in the Agency. Redeployment or voluntary early retirement are possible ways of dealing with this. Compulsory redundancy would be very much a last resort.

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NEW ARRANGEMENTS WITHIN VOCATIONAL EDUCATION (paras 43-53)

QUESTION AND ANSWER BRIEFING

Main features of scheme?

The MSC will act on behalf of the Secretaries of State to improve work-related non-advanced further education.

MSC expenditure on courses or services in non-advanced further education will rise to £155m in 1985/86 and £200m from 1986-87 - increases of £65m and £110m compared with the £90m which the Commission spends on NAFE at present. Planned expenditure by local authorities will be reduced by £65m and £110m and this will be taken into account for the purposes of the rate support grant.

MSC will use the extra resources to ensure that vocational education and training in NAFE is more closely geared to labour market needs.

Proposals on what should be supported will be formulated in consultation with local education authorities (LEAs), colleges, employers and others and submitted to the Government for approval.

Reasons for Initiative?

To help LEAs and others provide training which matches modern industrial and commercial needs.

To give employers more influence over what is provided so that courses should be more closely related to employment needs and are as cost-effective as possible.

Why MSC?

The Commission represents the main industrial interests in training. It also includes representatives of local authorities and the education world. It is uniquely well placed to act as a broker on behalf of industry in negotiating with the further education sector.

As the main Government training agency MSC is well informed of national labour market requirements and is therefore in a good position to judge priorities in the balance of training and work-related NAFE. It also has a

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growing knowledge of local demand for skills.

The Commission already spends £90m on YTS and TOPS courses in colleges of further education. It makes sense for the MSC to work more closely with colleges in planning related provision side by side.

Does this mean MSC will become exclusively a training agency and lose its employment responsibilities?

We are not changing the statutory responsibilities of the MSC, which will therefore retain its present jobcentre network and other employment interests. But we look to the Commission progressively to develop a role as a national training authority, bringing together all the interests involved.

What areas will be affected?

The target area is work-related non-advanced further education in the public sector. It therefore includes

- all technical and vocational courses, (including full and part-time, short courses and evening classes).

The subject areas and levels to be supported will be one of the key matters for consultation.

It excludes

- advanced courses in FE colleges and polytechnics (ie courses leading to qualifications at higher diploma and higher certificate level or above);
- courses exclusively comprising 'O' and 'A' level examination work in non-technical subjects; and
- courses of/vocational adult education in FE colleges.

Will all courses within the target area come within the scope of the initiative?

The Commission's total purchasing power for courses in NAFE will by 1986/87 represent 25% of public expenditure on work-related courses. This will give it significant leverage. Within the target area, however, the Commission will need to use its funds selectively. The Government expects the Commission to give priority to improving:

- vocational education for technical occupations;
- provision for newly emerging skills in traditional areas of employment;

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- arrangements for up-dating the content of courses and for staff development.

How will this affect the responsibilities of LEAs and colleges?

The responsibilities of LEAs for the management of FE colleges are unchanged.

The MSC will consult LEAs and colleges before settling its plans.

MSC intends to operate in such a way as to avoid problems of stop/go for colleges. MSC aim to settle contracts well before LEAs decide their budgets for the next financial year.

A condemnation of present FE system?

No. FE service has shown ability to respond to change and to provide work-related education and of considerable value to the economy. But the Government believe it could be further improved by:

- shifting the balance of influence over provision in favour of the employer;
- making provision more responsive to national priorities; and
- making good practice more widespread.

Isn't this a major new incursion by MSC into local authority territory?

This is a development of a process that has been taking place for some time. MSC is already by far the biggest single customer for college courses and has, for example, helped to stimulate the provision of courses for youngster who have not previously been catered for within FE because of their limited academic attainments (the "new FE"). These examples of successful collaboration provide a promising basis for action on a wider front.

Who will be consulted and when?

MSC will undertake immediate consultations with:

- local authority associations;
- employers' representatives;
- representatives of FE colleges;
- unions (especially those with members teaching in colleges);
- examining/validating bodies

about all aspects of the initiative, with particular reference to the subject

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areas and levels to be supported and the appropriate machinery for implementing the initiative.

The Commission will probably have arrangements in place to allow negotiations with LEAs and colleges so they can plan their programmes and budgets in good time for the next year.

What will MSC do?

MSC has been asked to:

- consult employers, LEAs and others before making recommendations to Government;
- ensure that planning of vocational courses in NAFE matches national and local needs and is compatible with the Commission's own training plans;
- use its extra purchasing power, on behalf of employers, to secure value for money and strengthen provision in skills which are most relevant to changing requirements at work.

How will the plans be implemented?

Depends on outcome of consultation. Probably through direct negotiation between LEAs/colleges and local MSC staff.

Will money be spent outside public sector colleges?

MSC will be looking to support best available courses, wherever they are. At present there is little private sector provision in the target area; and the bulk of resources will be spent in local authority colleges. But alternative forms of provision will not be excluded.

Wales

Wales will be covered. Secretary of State for Wales will continue to exercise his responsibilities for policy in further education. The funding of this initiative through the Welsh Office will be similar to the funding of other MSC programmes in Wales. MSC will maintain close relations with the Welsh Office, local authorities, employers and other interests in Wales.

Scotland

Current arrangements for funding FE in Scotland will remain unchanged. The White Paper refers to major changes in Scottish FE to which the Government is

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already committed in "16-18s in Scotland: An Action Plan". The Government is working closely with all the interests concerned - local education authorities, industry, examining bodies and MSC - to develop a new system of modular courses leading to a single vocational certificate. While all this is going on, it would not be sensible or appropriate to make further changes in relation to funding FE in Scotland.

Role of DES?

The Secretary of State for Education will be fully involved in considering and approving MSC's Corporate Plan, and in proposals relating to NAFE. He will also be responsible for consultations on appointments to the Commission to represent professional education, and local authority interests in England and Wales.

What are the staffing implications?

The Government plan no overall increase in civil service or LEA staff. A modest increase in MSC staffing will be needed but this will be offset by reductions elsewhere. It is likely that there will also be changes in the deployment of LEA and college staff but this is not directly a matter for the Government or the Commission. MSC will be discussing with local authorities the possibility of seconding to MSC some people from education service.

What will it mean to ordinary people?

A better selection of work-related courses in their locality, with greater assurance that the courses will be relevant to jobs. There should also over time be better opportunities for access to courses and progression between courses.

Will there be legislation on the White Paper?

No. The Commission can take action to implement all the proposals in the White Paper within its existing powers. Section 2(1) of the Employment and Training Act 1973 says that it shall be the Commission's duty to make such arrangements as it considers appropriate for the purpose of assisting persons to select, train for, obtain and retain employment

Public expenditure implications of new arrangements within vocational education?

The new arrangements are intended to improve the effectiveness of work-related NAFE, not to increase total spending on it. They will therefore be implemented within existing public expenditure plans.

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Will this make relations with education service worse?

LEAs have willingly participated in YTS and TVEI, which have shown that MSC can work well with education service. It is a relationship which has fruitfully influenced the way both parties attempt to satisfy the vocational and training needs of individuals and employers. They share the aim of improving performance in this respect and I would hope that this extension of the relationship will be positively welcomed.

Will there be further increases in MSC expenditure on NAFE?

The Government have not decided on the level of funding beyond 1986/87.

Will courses be withdrawn?

The total of planned public expenditure on ^{work related} non-advanced vocational education will not be ^{affected} / and three-quarters of this total will still be controlled by local authorities. Local authorities will wish to take into account the expected pattern of MSC spending before making their own decisions about expenditure on NAFE. Lack of support by MSC will not necessarily imply that a particular course is not useful.

What courses will MSC sponsor and which will need to be phased out?

It depends on the consultations. The White Paper refers to some of the areas to which we expect MSC to give priority eg electronics and robotics, and occupations where traditional programmes do not match current industrial and commercial needs. Decisions to phase out individual courses will need to be taken by local authorities, not MSC.

What will be the effect on the rates?

The new funding arrangements are not intended to affect the general level of rates. Decisions on rate support grant for 1985/86 will be announced in the autumn. The reduction of £65m in planned local authority expenditure will be one of the factors which will be taken into account.

Are the figures of £155m and £200m mentioned in the second sentence of paragraph 46 upper limits? Does this mean that payments by MSC to local authorities for the YTS may be reduced?

As indicated in paragraph 46, the MSC at present spends about £90m on NAFE, including college-based YTS courses. The payments from MSC to NAFE for these courses in future years will depend on the number of students coming forward under the YTS and on the proportion of them on Mode A and Mode B courses.

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Another move to centralisation of power in education?

The main purpose of the new funding arrangements is to shift the balance of control in favour of employers. The local needs of industry, commerce and other sectors of employment will strongly influence decisions.

MSC makes mistakes: will they get this one right?

The MSC has no monopoly on mistakes. It has in fact had substantial success with YTS and TVEI and has demonstrated that it can work well with education service. I am sure it will continue to extend existing good practice and to take advice from LEAs, employers and other sources of expertise. We expect the Commission to add this development to its other successes.

Why was this announcement made without prior consultation with Commissioners and with the local authority associations?

It is for the Government to give a broad lead on the changes which are required. This has now been done and it rests with the Commissioners to make substantive proposals within the framework of the White Paper; and for local authorities to contribute to the formation of policy.

Will the Commission reimburse LEAs at full cost?

Financial questions of this kind will need to be worked out by MSC. The aim is to improve value for money where possible.

If an LEA disputes the wisdom of changing or discontinuing an existing course will they be able to maintain it?

Yes. Under the new arrangements LEAs will still be directly responsible for three-quarters of planned expenditure on courses in the target area and will dispose of it as they think fit. The Government is not introducing a power of veto. One of the objectives of the local planning and advisory machinery, once established, will be to reach agreement on what needs to be provided.

What is the definition of a non-technical 'O' or 'A' level?

Very few 'O' or 'A' level subjects are wholly technical although some (eg Craft, Design and Technology) have a technical dimension. The definition therefore covers most subjects in the secondary school curriculum with the possible exception of needlework, technical drawing, metal and woodwork.

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Will the Commission increase private sector capacity by funding the establishment of new independent colleges?

No. The resources are not intended for this purpose.

There is much to be said for the change, but why must it be financed by taking money from hard-pressed local government and giving to under-spending MSC?

Most of the money will continue to be spent in local authority colleges. But the new arrangements are necessary, first as a means of ensuring that account is taken of national priorities; and secondly to give employers a more direct say (particularly on the supply of full-time vocational courses where their views are not sought in all cases (as they are over arrangements for part-time courses).

If this area is so important, why does industry not define needs and pay some of the cost?

We want it to do so and the MSC has been invited to organise arrangements through which the needs of industry and commerce are clarified and defined and practical and economical arrangements for satisfying those needs are negotiated.

You propose to take money from local authorities and give it to the MSC. If the Commission spend it on new technology (eg robotics word-processing) and in the expensive equipment and staff development which such courses require, this will be at expense of bread and butter work in NAFE. MSC will get the credit for innovation and LEAs will be criticised for starving other courses of money. Which courses do you expect us to close down?

That is an oversimplification, though the dangers are real. We would want LEAs to be giving increasing priority to training for new skills **with** all their implications for staff development and equipment, quite apart from the arrangements for funding. This means that the current pattern of expenditure must be closely examined to see if there is scope for greater economy. But we recognise that the changes cannot be made overnight. The necessary shift of resources will need to be carefully phased. The Commission aim to avoid unnecessary disruption and to build on existing good practice.

Will there be an arbitrary effect in redistributing resources between LEAs which are "winners and losers"?

MSC will intervene where there is a need to do so. MSC will want to have regard to local authorities' own plans for spending on NAFE and to maintain

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reasonable continuity. Where arrangements are satisfactory, MSC will not want to disturb them and it is not expected that the existing balance of provision between authorities will be altered in the short term.

Vocational Education and Training

3.32 pm

The Secretary of State for Employment (Mr. Tom King): With permission, Mr. Speaker, I wish to make a statement about vocational education and training.

The Government are today publishing a White Paper entitled "Training for Jobs". It is presented jointly by my right hon. Friends the Secretaries of State for Education and Science, for Scotland, for Wales, and myself. Copies are available in the Vote Office.

A well trained work force is essential to a strong economy and to win back jobs; to achieve that, vocational education and training must be properly directed to the demands of the market place.

Two years ago we published our first White Paper on training. At that time we set out three objectives: first, to improve vocational education and the transition from school to work; secondly, to modernise apprenticeship and other skill training; and thirdly, to open up wider training opportunities for adults.

Since then we have made considerable progress. Already more than 300,000 young people have entered the youth training scheme. Our new initiative in co-ordinated technical and vocational education for young people from 14 to 18 was launched last September. Fourteen local education authorities co-operated in pilot schemes, and a further 46 have now been invited to join the scheme, starting in September.

In the reform of apprenticeship arrangements, important improvements have been made in engineering, electrical contracting, printing and the construction industries. The Open Tech programme is now well under way, with as many as 50,000 people expected to take advantage of that new facility next year.

Those specific new initiatives represent a major achievement by the Manpower Services Commission under the energetic leadership of its chairman, David Young, and his fellow commissioners, but they would be the first to acknowledge the part played by employers, trade unions, local authorities, voluntary organisations, colleges, schools and the careers service and, indeed, the support and interest of many hon. Members, to which I readily pay tribute.

The White Paper also sets out the criteria against which we shall make our future plans, and announces certain specific proposals. Central and local government have an important part to play in vocational education and training, but real success depends crucially on the part played by employers and trainees themselves. The decisions as to who is trained, when and in what skills, are best taken by employers—and, indeed, the individuals concerned—who know better where the real needs are. So investment in training must be cost effective, flexible, adaptable to changing technology and free of old-fashioned restrictions.

The Manpower Services Commission recently submitted to me proposals for a new adult training strategy. We fully support the commission's call for a national campaign to raise awareness among employers and all concerned of the vital importance of training.

We support, too, the need to provide wider opportunities for the training of adults to meet new skill requirements. We therefore endorse the commission's proposals to restructure its existing programmes to double

the total number of adults trained under MSC courses to over 250,000 a year. That will include a significant increase, to some 125,000, in the number of unemployed receiving training.

The Government have agreed to consider further two proposals by the commission. The first is that there should be some training included for people on community programmes. The second is that some adult trainees could be helped by a guaranteed loan scheme to enable them to obtain training not otherwise available to them. The Government recognise that that could well be of interest to a number of people, and I confirm that we shall be ready to consider it further with the MSC and others concerned.

The White Paper also announces important new arrangements within vocational education. It is vital to get the closest possible collaboration at local level between employers, local education authorities and colleges, and other providers of vocational education and training, in identifying and meeting the real needs for future employment in their areas. The MSC, which includes representatives from industry, as well as local authorities and professional educational interests, and which has an established local network, is well placed to assist in that role.

The Government have therefore decided to ask the commission to extend its range of operations so that it can discharge the functions of a national training authority. We propose to increase the commission's resources devoted to work-related non-advanced further education in England and Wales from some £90 million now to some £155 million in 1985-86 and £200 million in 1986-87. That will then represent about one quarter of the total public sector provision for that area. The resultant reduction in the need for local authority expenditure will be taken into account in settling the relevant rate support grants for those future years.

The commission is being asked to begin consultations immediately with educational interests, employers and other interested parties so that plans can be settled in good time for the beginning of the 1985-86 academic year.

In 1983-84 we expect to spend £960 million on training. In 1984-85 we plan to increase that to £1,100 million. That is in addition to the £2.5 billion spent by employers, and the substantial sums within the further education sector. It is therefore vital to ensure that those funds are all used to the best possible effect. The White Paper sets out the Government's continuing programme to ensure that as a nation we are properly trained to meet the challenges of the years ahead.

Mr. John Smith (Monklands, East): Is the Secretary of State aware that training for young and old must be seen against the background of a continuing collapse in our manufacturing industry and the consequent collapse in the number of apprenticeships available in manufacturing industry? Will he also bear in mind, when he indulges in some of the vacuous self-congratulations that was littered throughout his statement and the White Paper, that this Government's economic policies created the standing army of young unemployed that some of these proposals are supposed to help? Will he come directly to the financial consequences of his statement? He announced certain increases in expenditure by the MSC as the national training authority. The right hon. Gentleman then announced that there would be a resultant reduction in

[Mr. John Smith]

local authority expenditure. Is it not true that not a halfpenny of new money is being provided by the Government for this so-called new advance?

Secondly, will the Secretary of State explain why he made so many references to consultation and the need for collaboration with trade unions, local authorities and others, when he has not consulted any of them, and when this is announced as a White Paper, instead of a Green Paper which is available for consultation with all the interested parties? Will he explain the scarcely veiled reference in the White Paper to forcing people on supplementary benefits to take part in YTS schemes? Is he aware that if the voluntary character of YTS disappears, it will not be possible to get genuine co-operation from people conscripted from supplementary benefit and pushed into schemes to put up the numbers for the sake of the Government's statistics?

Will the right hon. Gentleman also explain his reference to loans? He will be aware that when the Manpower Services Commission put forward its suggestion about loans it did so in the context of an overall review of the funding of the MSC. The right hon. Gentleman puts it forward on its own, with no such reference.

In the White Paper and in his statement, the Secretary of State referred to the need to make training financially attractive. Is he aware that those of us who have a wider knowledge of the people involved believe that that attractiveness is confined to the employer? Is it not ridiculous that people on the YTS scheme should still receive £25 a week when, in line with inflation, it should have gone up to £34 a week? Is not the time overdue for a substantial increase in the allowances paid to people on YTS schemes?

The Secretary of State announced that another 125,000 adults would be brought within the scope of adult training. However, he did not explain whether any extra money would be provided for that purpose. Is it not true that the same amount of money will be made available for adult training, but that the jam will be spread much more thinly?

I hope that my hon. Friend the Member for Durham, North (Mr. Radice) will catch your eye, Mr. Speaker, to ask about the educational impact of the right hon. Gentleman's statement, but will the Secretary of State confirm that there is little point in having schemes for training people, whether those schemes are short-term or long-term, if there are no jobs for those people at the end? Will it not all be a waste of time, unless there is a recovery in manufacturing industry, instead of its continuing collapse?

Mr. King: I am disappointed by the totally ungracious and unconstructive way in which the right hon. and learned Member for Monklands, East (Mr. Smith) approaches the White Paper. If he wishes to bandy insults across the Floor of the House, I have to recall that he was a member of a Government who could not even get agreement in their own Cabinet when Shirley Williams, who was then a Member of the House, sought to introduce training schemes. Moreover, what that Government finally introduced was a youth opportunities scheme which had no training content whatever. It was merely a special employment measure.

When the right hon. and learned Gentleman asked about consultation, he seemed to overlook the fact that, for example, a considerable part of my statement concerned the Government's response to the Manpower Services Commission's adult training strategy—itsself the result of widespread consultation and put forward by the MSC—and that its commissioners, comprising representatives of industry and trade unions as well as educational interests, produced a unanimous recommendation. I hope the right hon. and learned Gentleman will accept that our proposals, particularly for adult training, are the result of close consultation with the MSC. The latest proposal on vocational education and training will now be the subject of substantial consultation.

On the question of supplementary benefit, the White Paper reaffirms the present position. I am glad to say that, on the latest survey figures available to me, only a tiny number of people are affected. When people have the opportunity of a proper training scheme and work experience, and they reject that opportunity on no good grounds—no grounds that would satisfy independent scrutiny—it would be quite wrong to give them the free option of taking supplementary benefit instead of taking the opportunity available.

I was asked about loans and the need for an overall review. The hon. Gentleman will read in the White Paper that we considered in some detail what the respective goals for funding should be and what contributions should be made by the Government, the employees and the trainees themselves towards achieving the most effective training programme. That being so, we feel that we do not need an overall review at the present time.

We do not believe in loans as a substitution for the rest of the programme, but there is a genuine argument, when people in mid-career are looking for an opportunity for additional training that may not be available within the normal services, for such people to be able to get a guaranteed loan. That might enable them to improve their training resources. We shall consider that possibility with the MSC.

The adult training strategy put forward by the MSC involves more effective use of the funds that are being employed at the moment, but, as I have said, we intend to spend a significantly higher overall sum on training in the coming year.

Mr. David Crouch (Canterbury): Is my right hon. Friend aware that the hesitancy shown by many young people towards taking part in the youth training scheme was caused by doubt whether the training was real training for a real job, and a real extension of education? I am sure that many hon. Members on both sides of the House, would, like me, have welcomed the presence here today of the Secretary of State for Education and Science alongside my right hon. Friend—[HON. MEMBERS: "He is here."]—because those two Departments are bracketed in making a real advance in education and training.

Mr. King: I very much appreciate what my hon. Friend has said. Since I took over my new responsibilities, one of the matters that has made the greatest impression on me has been the work done in setting up the youth training scheme. I have been enormously impressed by the very close co-operation between my Department and the Department of Education and Science on the matter of training and vocational education. Some previous training

schemes have been employment measures—just a way of making work—but the youth training scheme now offers some very exciting opportunities to young people and, despite what some people say, will provide, for many young people, the best possible route to a permanent job.

Mr. David Penhaligon (Truro): Many will welcome the provision of more training. That must be the right trend. However, can the right hon. Gentleman cut away the verbiage and let us know whether or not net central Government expenditure on training as outlined in this document will increase, when one takes account of the change in the amount of money going to local councils?

Secondly, what sort of courses does the right hon. Gentleman believe the local authorities should scrap? That must be what the statement would entail.

Thirdly, will there not be a further transfer away from democratically elected authorities to the central quango that deals with training and education?

Mr. King: We must distinguish between two things. Our proposal on vocational education is not for next year but for the following year and its purpose is to ensure that the customer—the employer, the trade or the industry—has more say, through the structure of the Manpower Services Commission and its local network of employers, trade unionists and educationalists, in ensuring that the courses provided and the training being offered are those that offer the best possible prospect of jobs thereafter.

We wish not to centralise but to ensure that there is more local involvement and a much closer working co-operation with employers, with those providing the training and with the trainees themselves, in order to achieve the best possible prospects of jobs. One of the features of the present situation in training is that a considerable amount of money is being spent, and a great deal is being wasted.

Mr. Nicholas Winterton (Macclesfield): Although I welcome the White Paper and the emphasis placed by my right hon. Friend on vocational education—I fully support all the additional resources being directed to training—how does he equate his comments with Staffordshire county council's decision to close the textile department of the Leek college of further education without further consultation with the Macclesfield or Leek textile employers who send many of their member companies employees to that college and department? Bearing in mind that the textile industry is the country's third largest employer, will he assure me that he will make representations to the Staffordshire county council to reconsider its decision to close that department at the end of this financial year? It took the decision without any consideration about what those in the middle of their course will do about completing it.

Mr. King: My hon. Friend will understand that I am not familiar with the details of that matter. Anyone who has made even the most superficial study of this problem knows that there is a need for a much closer understanding and co-operation between employers and the educational services. We seek to facilitate that by this change.

Mr. Derek Foster (Bishop Auckland): How can the Secretary of State talk about securing the greatest co-operation of people locally, including education authorities and further education colleges, when he has announced a major change in the way in which a

substantial section of further education is delivered, without any consultation on this point with colleges or local education authorities? Is it not a disgrace that his right hon. Friend the Secretary of State for Education, and Science, who is sitting alongside him, has allowed this statement to be made without those consultations?

Mr. King: My right hon. Friend recognises and attaches enormous importance, as those who have studied his recent speeches on this will know, to the fact that the education services must be effectively attuned to the nation's needs. The academic side of further education is not an issue here. We are dealing specifically with the technical and vocational education aspect—preparing people for jobs.

[AN HON. MEMBER: "What jobs?"] The hon. Gentleman did not appear to show that he was aware that at present the MSC is investing some £90 million in this area. In 1985-86 we are proposing to increase that figure to £155 million, and in 1986-87 to £200 million. I hope that, after all the shouting has died and people get down to consultation, many people in local authority education departments, who are far more forward-thinking than one or two Opposition Members, will recognise the benefits that can come from this scheme.

Mr. Andrew Rowe (Mid-Kent): Is my right hon. Friend aware that many people leave school without anything that society values, in particular members of the ethnic minorities, will welcome as promising the package of a possible loan in some cases and greater access to adult education and training in others?

Mr. King: I am persuaded of the vital need to adapt training and educational provision to the new circumstances that appertain in this country. Hon. Members have not raised a whole range of different matters—for example the modernisation of the apprenticeship system, which is vital if we are to equip ourselves for the challenge of new technology. It is important in so many different ways, not least that of open access, that at any stage in someone's career or life he is not debarred from acquiring new skills. I endorse what my hon. Friend has said.

Mr. Jim Callaghan (Heywood and Middleton): Does the Minister agree that many local authorities, including Conservative-controlled ones, are worried that the Government are holding back part of the rate support grant in favour of Government-sponsored schemes in schools? Does he not feel that this report will further the local authorities' resentment?

Mr. King: I do not know whether the hon. Gentleman has heard of the technical and vocational education initiative which was launched, with Government support, by the MSC. It gives additional funds to local education authorities to launch four-year schemes in technical and vocational education. That is an illustration of the way in which co-operation with local education authorities can be developed, not in the spirit of recrimination and hostility that the hon. Gentleman is trying to suggest. We have now launched a scheme in which we have invited local authorities to co-operate voluntarily and to which we have had an enormous response.

Mr. Harry Greenway (Ealing, North): Does my right hon. Friend accept that most colleges are first-class and do an excellent job? However, should we not concede that the Manpower Services Commission is closer to employers

[Mr. Harry Greenway]

than local education authorities? Would not increasing clientship between the MSC and colleges be the sort of effective effort that we wish to see?

Mr. King: I certainly pay tribute to the excellent work of so many colleges in the FE sector, but it would be less than frank if we did not also recognise that some colleges do not achieve the best standards. I am sure that close contact and involvement with the customer is a vital way to ensure improvements.

Mr. James Hamilton (Motherwell, North): Is the right hon. Gentleman aware that the Opposition are very much in favour of the training of youngsters, but deeply concerned about the lack of apprenticeships? As the upsurge of interest to which the Government refer may be a non-starter, we could be training youngsters only to find that they have to return to the dole.

Will the right hon. Gentleman answer the question of my right hon. and learned Friend the Member for Monklands, East (Mr. Smith) about why the Government have not increased the allowance from £25 to at least £27 a week? Will not the Government bear in mind the fact that the hon. Member for Derbyshire, West (Mr. Parris) found that he could not live on £26.80 a week? Therefore, how do the Government expect youngsters to live on £25 a week, which is an inadequate allowance?

Mr. King: I welcome the hon. Gentleman's opening remarks. From one or two comments that I have heard, I was beginning to wonder whether Opposition Members approved of training youngsters or merely wished to carp about the statement. The increase in allowances is a difficult issue. As we have finite resources, the question is how those resources should best be applied. If the allowance is higher, the resources available for backing training schemes will be less.

Mr. Dave Nellist (Coventry, South-East): You have overspent this year.

Mr. King: The White Paper deals frankly with the issue. We have made it clear already that, for this year, we believe that it is not unreasonable to ask trainees in these schemes—which provide excellent training and work experience—to make some contribution to the costs of training through a restrained training allowance.

Mr. Nellist: Twelve pounds 50 pence a week.

Mr. King: It is sadly true that a great deal fewer apprenticeships are currently involved. That is due partly to the change in the industrial pattern in Britain, and partly due to the fact that in the new and emerging industries traditional apprenticeships do not apply—for example in electronics or microelectronics. However, we want to ensure that throughout training we obtain the most effective use of available resources.

Mr. Jeremy Hanley (Richmond and Barnes): I thank my right hon. Friend for his welcome and constructive statement, which contrasts so starkly with the unconstructive and sterile attitude of the Opposition. What will be the long-term implications of his statement for British industry?

Mr. King: We are all aware of the concern of British industry that, when unemployment is far too high, there is yet a shortage of skilled workers in certain key areas.

We are also concerned about how the new industries, as they develop, can sustain their position in the market, given the lack of those with necessary skills. I hope that our determination to ensure that the training we provide is effectively directed to the real needs of Britain will be welcomed.

Mr. Nellist: I am sure that it is a coincidence that this anaemic statement has been produced on the same day as my private Member's Bill, which offers a real alternative for training.

If the Secretary of State is prepared to announce today that there are changes in budgetary allowances for training spread over the next three years, why will he not give similar figures about the date when he intends to increase the YTS allowance from 25 quid a week, which represents a theft of £12.50 from the YTS allowance during the life of this Government, to a level more closely related to trade union rates for apprentices, which represent a decent training allowance?

As the White Paper refers in paragraph 29 to health and safety, will the right hon. Gentleman respond to the requests that have been made to his Department—[HON. MEMBERS: "Too long."]—that trainees be given a proper—

Mr. Speaker: Order. I am anxious to call as many hon. Members as possible, but long supplementary questions make that very difficult.

Mr. Nellist:—that trainees be given a proper contract of employment so that they are covered by all industrial legislation? Finally, will the right hon. Gentleman ensure—[HON. MEMBERS: "Too long."]—that every workplace in which YTS trainees go is first inspected by a qualified health and safety inspector to prevent serious and fatal accidents, which are running at 300 a year under his leadership of that Department?

Mr. King: Every time I hear the hon. Gentleman speak I get the impression that he is more interested in making political capital out of any problems that he can dredge up from individual circumstances than directing himself to the real importance of providing an effective training scheme for this country. His never-ending attempts to denigrate the youth training scheme do great damage to the opportunities and possibilities for hundreds of thousands of young people in Britain.

Mr. Richard Needham (Wiltshire, North): Does my right hon. Friend agree that, regardless of the resource problem, a proposal which for the first time involves both the employers and trade unions, through the area boards, in non-advanced further education should be welcomed as a constructive step forward by Opposition Members, who may not yet have received their proper briefing from the TUC?

Mr. King: I am grateful to my hon. Friend for those comments, because I have been extremely surprised at the reaction of Labour Members. Perhaps they thought that they were obliged by being in opposition to oppose rather than to look at the serious and constructive proposals which have been set out, which I think will be widely welcomed by both sides of industry.

Several Hon. Members rose—

Mr. Speaker: Order. We have two important Scottish debates to follow and a ten-minute Bill. I propose to allow questions to run until 4.15, but I ask hon. Members to be brief in their supplementary questions.

Mr. Ian Wrigglesworth (Stockton, South): Although one welcomes any new training initiatives, will the Minister make clear the answer to the question that has been posed to him by other hon. Members? Is any new money, any further funds, being put in as a result of his statement? Secondly, if he is interested in cost effectiveness, does he not consider that the time has come to have one Department responsible for training and education, rather than two, at national and local level, where there is a dual track of training and education development and public funds are squandered?

Mr. King: The answer to the last point is that training under the present structure is closely linked to employment, and I think that is the right approach. There is obviously an argument about which way it should go, but that is the way in which it has been structured. It is the way in which previous Governments have operated it and I believe that it is the right line to follow.

Mr. Nellist: What about money?

Mr. King: Opposition Members keep talking about money, and claim that I have said nothing about money. I said in my statement, and I repeat, that in 1983-84 we expect to spend £960 million and that in 1984-85 we plan to increase it to £1,100 million. If that is not clear to them, I will try to make it even clearer later.

Mr. Michael Carttiss (Great Yarmouth): Does my right hon. Friend agree that, in contrast to the carping criticism of Opposition Members, many young people will welcome the opportunity that is being provided, not least the young people in the six high schools and two colleges in my constituency, for whom £1.6 million has just been announced under the technical and vocational education initiative?

Mr. King: I am grateful to my hon. Friend for his positive response. I believe that his is much more the proper reaction to my statement than the extremely carping criticisms by Labour Members, who show themselves out of touch with the fact that much of what I have announced is the sum of a great deal of co-operation between industry, trade unions, educational interests, colleges—a whole range, across the board. Despite the living anachronism that we see before us—Labour Members living in a world of their own, a world in which they have increasingly little influence—the rest of the country will, I hope, welcome what we have announced.

Ms. Clare Short (Birmingham, Ladywood): Is the right hon. Gentleman aware that those of us who have been concerned for many years to see the expansion and modernisation of adult training are very concerned indeed that the Government are taking resources from local government and handing them to the MSC which, despite Government rhetoric, is floundering in its attempts to provide high quality training for young people? Is he further aware that the youth training scheme in practice is often cheap labour getting very low-level training? Now that the MSC is to be handed another chunk of education money, we are likely to see more that is worse, and certainly no improvement.

Mr. King: The hon. Lady specialises, on every occasion that she can find, in destructive comments about the efforts of an enormous number of people who are playing their part in making the youth training scheme the success that it undoubtedly is. I accept, of course, that with a scheme of this size—300,000 and more are already on it—there will be problems, but I take this opportunity to express my gratitude to the TUC for the part that it has played. That is representative of the feelings of many more people than the hon. Lady might pretend to represent.

Mr. Alan Haselhurst (Saffron Walden): With skill shortages already appearing in parts of the economy, is not the main objective to get the relevant training to the right places as quickly as possible? Does my right hon. Friend agree that the virtue of his scheme is that it will enhance that prospect?

Mr. King: It is absolutely vital to ensure that we get the most effective use of the training funds. [HON. MEMBERS: "What funds?"] We hear from Opposition Members the same parrot cry on every statement—"new money" or "more money"—but the first requirement, the first responsibility, of every Member of Parliament and Minister is to ensure that we get value for money. The truth is that in the present training situation we are spending a great deal of money training people for the wrong courses, for which there are not jobs, whereas, as my hon. Friend points out, in other areas there are skill shortages, and that is a national disgrace.

Mr. Martin J. O'Neill (Clackmannan): May I draw the right hon. Gentleman's attention to paragraph 19 of the White Paper concerning Scotland? Will the Scottish participation in the TVEI, which has been grudging so far, take place along with new money? Will any of the schemes which will be involved in the Scottish participation be subject to the kind of local scrutiny and control to which the right hon. Gentleman referred in the statement? In other words, will the Minister ensure that the Scottish committee of the MSC has a larger role in the control of these schemes and that it is not given to Sheffield, which is, to all intents and purposes, an alien education experience if it has the say-so in the new set-up?

Mr. King: The hon. Gentleman may have misunderstood the position; the announcement on the new arrangement; within vocational education is not applicable to Scotland, which has recently introduced new arrangements for 16 to 18-year-olds, and my right hon. Friend the Secretary of State for Scotland wants to give that time to settle down before taking a view on any changes that might be made. The more technical details of the Scottish arrangements I shall leave as a bilateral matter between the hon. Gentleman and my right hon. Friend.

Sir Kenneth Lewis (Stamford and Spalding): Does my right hon. Friend agree that the progressive statement which he has made today is in addition to all that the Government have achieved in this sphere since coming to office? With regard to apprenticeships, is he aware that employers are saying that, after 18 months, there are many youngsters whom they would like to keep in apprenticeships but whom they might not be able to afford to keep without some support or assistance from the Government or the MCS? Will my right hon. Friend take that on board, since apprenticeships are a vital part of training?

Mr. King: I am aware of my hon. Friend's close interest in this matter and I assure him that we are aware of the importance of the point he makes. He will be aware of the changing needs of industry and the fact that the relevance of apprenticeships is changing in a number of areas, in particular with the new industries and with the new technologies applicable in the old industries. Having said that, I assure him that I shall take note of what he said.

Mr. Robert Parry (Liverpool, Riverside): The Secretary of State has received representations from me concerning a large number of people on MSC projects who are getting into financial distress through the use of bank cards. Will he advise all young people on these projects of the dangers and temptations of getting into debt, particularly in view of the low payments that are being made?

Mr. King: I am not aware of the details, but I will look into the matter and write to the hon. Gentleman.

Mr. Bowen Wells (Hertford and Stortford): Is my right hon. Friend aware of the enormous enthusiasm which the YTS—no doubt this will be the response to the new scheme that he has announced—generated among schoolmasters, lecturers, businessmen, parents and all those in the local community? We have had much experience of this, and I am sure that his statement will be welcomed. Has he made any announcement on the pioneering technical and vocational education initiative, which was taken a year ago? Does that initiative need a further extension? We must begin training for industry right back into schools, and not only at the stage when 16-year-olds leave them. Will he make arrangements also for the colleges of higher education to be able to keep the money that they earn from co-operating with local firms and local education institutes in offering their services as consultants so that they may go ahead and provide more training in the local area?

Mr. King: I am well aware of the enthusiasm for the youth training scheme among a considerable number of employers. There is no doubt that it is starting to have a major impact on the induction training that they offer their normal employees. That is a major improvement that will provide lasting benefit.

The technical and vocational education initiative started as a pilot scheme, but it will not build up very quickly. There are 14 local education authorities involved and I have invited another 46 to join the scheme. Those authorities have responded to my invitation and proposals have been offered to them. As we move from the 14 authorities to the full-capacity scheme, about 60,000 children will be part of it.

Dr. John Marek (Wrexham): The White Paper states: "The new Skillcentre Training Agency established by the Commission will ensure that Skillcentres adopt a commercial approach in identifying and supplying the training that the commission and employers want." Will the Minister give an assurance that no more skillcentres will be closed in future and that it will be his aim to ensure that present facilities are fully used?

Mr. King: Obviously, we want the present facilities to be fully used, but if the courses for which the skillcentres are equipped are not appropriate to the needs of the market in the area, it may be difficult to ensure that they are fully used. I have sought to explain—I hope that the White Paper makes this clear—that we must ensure that money

for training is used for training people and not for providing subsidies for unfilled places. The moneys must be directed to the training of people if we are to ensure the best use of the funds available. We must try to take an intelligent and constructive approach in the interests of those who need training. Our job is to ensure that the maximum funds are applied where they are really needed.

Mr. Richard Holt (Langbaugh): Does my right hon. Friend agree that for a long time there has been an artificial divide between education and training and that we now have an opportunity to grasp the nettle and close the divide, especially in relation to apprenticeships, so as to allow City and Guilds and other examinations to be undertaken within the education system and carried on into training, thereby allowing full apprenticeships to take place and giving encouragement to the youngsters who will embrace the various skills in future?

Mr. King: The White Paper is supported by my right hon. Friends the Secretaries of State for Wales and Scotland and jointly presented by my right hon. Friend the Secretary of State for Education and Science and myself. That shows that it is the Government's view that there must be the closest co-operation. The initiative recognises exactly the force of what my hon. Friend stresses—the need to break down the barriers between the tradition of technical education and the tradition of training in employment. I hope that we can combine the traditions effectively. My right hon. Friend the Secretary of State for Education and Science and I will seek to give a lead in that respect. I hope and believe that we shall have the support of many in the education and industrial sectors.

Mr. Robin Corbett (Birmingham, Erdington): Labour Members welcome real training and real jobs, but we do not understand why the right hon. Gentleman is crowing about the failure of the Government when set against the three objectives which he set. Does he recognise that he has sawn through the bridge between school and work, because there are no jobs, that he has presided over a decrease in the number of apprenticeships, and that wider training opportunities are no more than a mirage as there are no jobs for people to go to when they have completed their training?

Mr. King: That was a rather laboured intervention. It appears that the hon. Gentleman has been infected by the rather sour odour that is floating up to him from the Opposition Front Bench instead of considering the Government's proposals in a constructive spirit.

Mr. Bill Walker (Tayside, North): My right hon. Friend will be aware that in Scotland we have many jobs in high technology and that some trade unions have refused to co-operate with the Government's training scheme. Can he assure the House that the trade unions are being persuaded to accept the scheme and that the change in training is essential, especially for occupational skills in view of the fundamental changes in attitude, particularly towards training for new industries?

Mr. King: I am sorry to hear that. I am not aware that there has been a refusal to co-operate in some instances, and I shall look into that. Otherwise, a feature of the launch of the YTS has been the tremendous efforts made by the trade unions in organising conferences and meetings to explain to their members and officers the importance of getting the scheme off the ground. The attitude of those

trade unions is a pleasant contrast to some of the sour comments that have come from one or two Labour Members.

Mr. Giles Radice (Durham, North): Will the Minister now admit to the House that his White Paper proposals involve no new money? Is he aware that at the beginning of the year the Secretary of State for Education and Science made a speech in Sheffield calling for a new partnership? Does he believe that the best way to create the new consensus is to keep local authorities, teachers and colleges completely in the dark while a secret Government committee plans the future of non-advanced further education? Does he realise that the proposals for further education represent yet another example of central Government interference in how democratically elected local authorities spend their money — for example, penalties, rate capping, the educational support grants and now the MSC takeover of work-related further education and a consequent loss of rate support grant? Where will it end?

Finally, does the Minister accept that the MSC takeover of responsibilities means that, as with the TVEI, the Secretary of State for Education and Science loses out in the Whitehall power battle, educational needs take second place and once again education gets a bloody nose?

Mr. Albert McQuarrie (Banff and Buchan): So dramatic.

Mr. King: If I thought that the hon. Gentleman believed what he has just said, I should be even more convinced of the death wish of the Labour party. He made an appalling contribution. I have been asked about the amazing secrecy surrounding this matter. For once, a White Paper has not been leaked in toto in advance of publication. That appears to be the major example of Government secrecy. We have made it clear in the White Paper that there will be the fullest consultation on the vocational education proposals. It is right that that should be so. I believe, from my discussions and from the comments that have been made to me over the years by those in the education service as well as those in industry,

that there will be a much better understanding of the reasons that lie behind the proposals that we are making, which we are putting forward in a constructive sense.

The Secretary of State for Education and Science (Sir Keith Joseph): Hear, hear.

Mr. King: My right hon. Friend is joining me in this approach, which is much more constructive than the hon. Member for Durham, North suggests.

Mr. Speaker: Ten-minute Bill—

Mr. Martin J. O'Neill (Clackmannan): On a point of Order, Mr. Speaker. I recognise, Mr. Speaker, that you are not responsible for the answering of questions by Secretaries of State. However, I should like your guidance on a point which has arisen from the recent exchanges. The Secretary of State for Employment was answering questions on behalf of Departments in addition to his own. When he was asked a question of a specific nature which was pertinent to the document that is being introduced, he relegated the question to the level of bilateral discussions between the questioner and the appropriate Secretary of State. Is this not an entirely inadequate system of briefing? In this instance, the needs of Scotland are being ignored.

Mr. Speaker: As the hon. Member has correctly stated, I am not responsible for ministerial answers.

Mr. Tam Dalyell (Linlithgow): Further to the point of order, Mr. Speaker. This is an issue for Parliament. The matter of the department of pharmacy at Heriot Watt university is the responsibility not of the Secretary of State for Scotland but of the Secretary of State for Education and Science. The effects of its closure, if educational needs are to be tailored or attuned to the needs of the nation, as the Secretary of State for Employment puts it, is a matter for the Department of Employment. My hon. Friend the Member for Clackmannan (Mr. O'Neill) made a valid point. Will you, Mr. Speaker, consider it and give a ruling tomorrow?

Mr. Speaker: I say again that I am not responsible for which Minister of State the Government decide should answer questions or make statements. That is not a matter for the Chair, but is entirely one for the Government to decide.

Maternal Surrogate Clinics

4.20 pm

Mrs. Anna McCurley (Renfrew, West and Inverclyde): I beg to move,

That leave be given to bring in a Bill to prohibit the operation of maternal surrogate clinics in the United Kingdom.

Maternal surrogacy has been with us since biblical days, so I do not seek to explore the nature of the principle but rather to examine the effects of one practice. I am aware that the Warnock committee will report some time this year on matters relating to artificial insemination by donor, in vitro fertilisation techniques and surrogacy, and that there will be a full and well-informed debate thereafter, possibly leading to legislative action on a variety of issues. It is of great concern to me, however, that in the intervening time between discussion and action several abuses may occur which will be contrary to the spirit of the law as it stands, which will consciously seek to circumvent the law and which will be rejected by the vast majority of people.

I was alerted by an article in *The Mail on Sunday* to the possibility of maternal surrogate clinics being established in this country. They are already a feature of life in some states of the United States of America—other states have abandoned them—and in the Federal Republic of Germany. Those clinics bring together on a highly commercial basis infertile couples desiring a child and women, usually in their mid-twenties, who are married and have borne at least one child from their union, who lease their uterus and ovum for artificial insemination by the male partner of the infertile couple. If a child is born subsequently, it is handed over to the couple by the surrogate within 48 hours of delivery.

Assurances regarding selection and counselling of the contracting parties have been given by those who are already in this practice, but there is no legislative control over who should select and advise—for example, no medical qualifications are required. In effect, anyone can start such an operation in this country. I believe that the average cost of a baby born because of this practice is about £16,000, which includes the surrogate fee and private clinic facilities. Existing legislation would appear to have banned the buying and selling of children for profit. The Adoption Act 1958 strictly forbids any money changing hands in adoption placements. The agent or clinic dealing with the contracting parties—the prospective purchasing parents and the surrogate mother—must be approved by the DHSS.

It should be made clear that the only way that prospective purchasing parents can take on full legal responsibility for the child is by adoption. The woman who carries and gives birth to a child is legally the mother, and she has full responsibility for the child. If she is married, there is a legal presumption that her husband is the father of the child, with legal responsibilities, unless paternity is brought into question; then the burden of proof lies with the man. The sperm donor has no legal rights over the child. The child is illegitimate as surely as is a child born of an illicit or adulterous relationship. The child then must be adopted by the paying couple.

The Law Society is of the opinion that any contract between purchasing couples and surrogate mothers would be null and void because it would be contrary to public policy and unenforceable in the courts, but there has been no legal test case on which we can draw for reassurance. Cases on this issue in the United States of America have been brought to court, but not as yet where any payment has been involved.

Loopholes in the law must be tightened. Is this action the provision of a service or the sale of a child? Offering one's body in such a service invites comparisons with parallel illegal acts. If we do not act swiftly on this issue, children may be born by this method before the law takes account of them.

I am sympathetic to anyone so desperate that he or she would do anything to have a child. On this issue, however, I have support from the churches, the WI, many nurses, doctors, lawyers and colleagues. I do not presume to speak specifically for those bodies that have reported to the Warnock committee. Those who counsel the childless have offered their support also. I wish to voice the anxieties that have been expressed about the welfare of the child—for example, about one who had been born handicapped. Would the contract stand or would the child be rejected? Would it become the responsibility of the State?

Consider the surrogate's mental state after birth, her husband's rights and feelings, the possible problems for the infertile adopting mother—remembering that the child is not biologically hers but is biologically her husband's—the threat to family life and pair bonding, call it what we will.

Scientific developments should not always be equated with progress. In this field, we have knowledge but no control and no guidelines. There is a danger of the unscrupulous as well as the well-meaning operator cashing in on the delicate, highly personal emotions of unhappy people. I have heard this practice called the greatest gift one person can bestow upon another and a supreme act of charity but, alas, that charity is available not to the poor, who also want children, but to those with the ability to pay. The Bill will discourage those who are active in trying to establish such clinics in the United Kingdom. Swift action is the only course open to us to prevent conditions developing that would be maze-like in their legal complexities and, potentially, socially explosive.

Question put and agreed to.

Bill ordered to be brought in by Mrs. Anna McCurley, Mr. John Ward, Mrs. Marion Roe, Mr. David Amess, Mr. Jerry Hayes, Mr. Colin Moynihan and Mr. Christopher Murphy.

MATERNAL SURROGATE CLINICS

Mrs. Anna McCurley accordingly presented a Bill to prohibit the operation of maternal surrogate clinics in the United Kingdom: And the same was read the First time; and ordered to be read a Second time upon Friday 16 March and to be printed. [Bill 91.]

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Prime Minister

Simply to note the start of the ^{net} Treasury campaign to keep the cost of the MSC/NAFE down to zero.

AP 27/1

Treasury Chambers, Parliament Street, SW1P 3AG

Rt Hon Tom King MP
Secretary of State for Employment
Caxton House
Tothill Street
London SW1

27 January 1984

Dear Secretary of State

"TRAINING FOR JOBS"

Thank you for my copy of your letter to Keith Joseph of 13 January. I am glad that you have reached an agreement, and will be able to publish your White Paper on 31 January.

The Prime Minister's meeting on 20 December left us with two main remits:-

- a. to "examine ways of ensuring that the proposal did not lead to a net increase in expenditure";
- b. "to examine the differing impact on local authorities and to devise a formula which would minimise it".

This letter is about a. I hope that it will give Patrick Jenkin an opportunity to comment, as appropriate, on b.

We are agreed that £65 million should be transferred from the RSG to the MSC in 1985-86, and £110 million in 1986-87. We need to decide how to make the adjustments. I suggest we treat them in the same way as the £33 million adjustment we made for 1984-85 in respect of the transport supplementary grant. That is, we should agree in E(LA) each year a figure for aggregate exchequer grant, and then deduct the agreed transfers to the MSC - £65 million in 1985-86, £110 million in 1986-87.

We also agree that we need to make corresponding reductions of £65 million and £110 million in the public expenditure provision, and GREs, for local authority spending on education. I take it that we should make the aggregate reduction before we establish the baseline for the next Survey. (To translate it into GREs for individual authorities, we shall presumably need some assumption about the way in which the MSC will spend the money transferred from the RSG). Other things being equal, the reduction in GREs will tilt the distribution of grant away from education authorities.

To round out the main adjustments on the local authority side, I suggest that when we set the public expenditure provision and targets for local authorities in 1985-86, we should (notionally) reduce by £65 million the local authority budgets for 1984-85 which will be used as a basis for comparison. As you know, this would follow precedents in the case of national insurance surcharge reductions. Instead of looking at "NIS-adjusted" budgets we should look at "NAFE-adjusted" budgets. Again, this will presumably require an assumption about the way in which the MSC will spend its new money.

I record these points mainly for clarity. They clearly involve the interests of colleagues who have not so far seen the correspondence - Willie Whitelaw and members of E(LA). I should therefore be grateful if you could reflect them - perhaps by circulating this letter, if that would be simplest - when you report your proposals to colleagues more generally.

While the steps I have described will be important, I think we all recognise that they are unlikely to be sufficient to prevent a net increase in public expenditure. There will be an increase in spending by the MSC. I suspect we can only count on a matching reduction in the case of authorities which:

- a. will be paid by the MSC for courses they would have provided anyway, and
- b. will lose grant exactly equal to their new income from the MSC.

I doubt whether many authorities will find themselves in this position. Others may get more from the MSC than they lose in grant, and therefore increase their expenditure. Some will lose more in grant than they get from the MSC, and maintain expenditure at the expense of the ratepayer. I think this was common ground at the Prime Minister's meeting.

It is, of course, a normal rule of public expenditure surveys, which we have all endorsed, that increases in programmes cannot be financed at all by offsetting savings on local authorities, because these savings cannot be delivered. There is, in the jargon, a ring fence around local authority "relevant" current expenditure.

I am prepared to relax the full rigour of that rule in the exceptional circumstances of this particular case; but we cannot afford to depart too far from the general principle. As the Chancellor and I indicated at the Prime Minister's meeting, we must therefore ask you for a substantial reduction in your expenditure allocation for purposes other than MSC spending on NAFE, from 1985-86 onwards, to ensure, as far as reasonably possible, that there is no overall increase in public expenditure. We shall of course be looking for this after adjusting the baseline for 1985-86 and 1986-87 to reflect in particular the reduced requirements of the Youth Training Scheme. If you agree, perhaps officials could be asked to begin to prepare the ground.

I am sending copies of this letter to the Prime Minister, Keith Joseph, Patrick Jenkin, Norman Tebbit, George Younger and Nicholas Edwards, and to Sir Robert Armstrong.

Yours sincerely

J.S. Gien

J.P. PETER REES

[Approved by the Chief Secretary]

EDUCATION
TVE7 Pt 2



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COPY NO 3
CC NO.
NBPM
15

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

20 January 1984

Dear Tom,

WHITE PAPER ON TRAINING FOR JOBS

You invited my views on the value of a brief foreword to the White Paper.

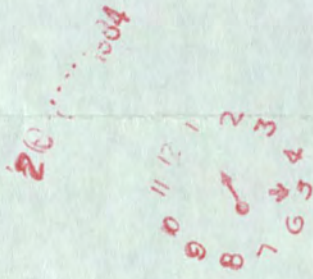
I frankly doubt whether such a device would serve to emphasise our common purpose. Some may accuse us of protesting too much and I would not wish to risk distracting attention from the body of the document.

Copies go to the recipients of yours.

Yours faithfully
Gordon Keir

Rt Hon Tom King MP
Secretary of State for
Employment
Caxton House
Tothill Street
London SW1H 9NF

Education : TVEI pt. 2



SECRET

3/20



NBPM AT 23/1

14

Caxton House Tothill Street London SW1H 9NF

Telephone Direct Line 01-213 6400

Switchboard 01-213 3000

Elizabeth Hodgkinson
Private Secretary
Secretary of State for
Education and Science
Elizabeth House
York Road
LONDON SE1

20 January 1984

Dear Elizabeth

WHITE PAPER 'TRAINING FOR JOBS' : MSC AND NAPE

Your Secretary of State's letter of 17 January raised a small point on what was then paragraph 47 of the draft text.

I am writing to confirm that my Secretary of State has no objection to reinstating the words 'these resources' for 'the increase in its resources' (which were designed simply to aid the reader). He thinks it necessary to retain the specific reference to England and Wales to avoid confusion, since the preceding paragraph refers to arrangements in Scotland.

The text will accordingly read:

'Under the new arrangements in England and Wales the Commission will be responsible for ensuring that these resources are used

Copies go to the Private Secretaries of Ministers who received the earlier correspondence.

Yours sincerely

Brett Bonner

BRETT BONNER
Private Secretary

SECRET

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NBSM
AT 20/1

Treasury Chambers, Parliament Street, SW1P 3AG

David Normington Esq
Private Secretary to the Secretary of
State of Employment
Department of Employment
Caxton House
Tothill Street
LONDON
SW1H 9NF

20 January 1984

Dev. Davis

WHITE PAPER "TRAINING AND JOBS"

with AT?

Thank you for sending John Kerra copy of your letter of
16 January to David Hayhoe.

On the assumption that the points made in the Chief Secretary's
letter of 9 January have been taken, Treasury Ministers are
entirely content with your Secretary of State's proposed arrange-
ments for the publication of the White Paper and the subsequent
oral statement.

Copies of this letter go to the other recipients of yours.

Yours sincerely

John Gieve

JOHN GIEVE
Private Secretary

Education : TVEI . pt. 2

20 JAN 1984

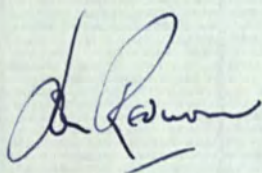


13A

PRIME MINISTER18 January 1984

David Young has sent me the following proposed amendment to the draft White Paper on Training. He says that without such an amendment it will be difficult to present the training policy as vigorous and creative and says that this form of words reflects the agreement at the meeting held on National Training on 20 December. I cannot comment as I was not present at the meeting.

Do you agree with David Young and do you wish such an amendment to be included?



JOHN REDWOOD

Note:..

I spoke to David Young. I said I was unhappy about putting this to PM before Tom King had had a chance to consider it. DY said that since talking to JR, he had spoken to Tom King. The latter was reluctant to reopen but was considering sending MSC a letter with a more upbeat tone than White Paper. I suggested to DY that the statement could be used for this purpose.

We agreed I would not put to PM but he would speak further to Tom King

AT 18/1

SECRET

SUGGESTED AMENDMENTS TO DRAFT WHITE PAPER

Final Passage

1. Delete para 42.
2. Begin passage with para 43.
3. After 43 a new para to read:

"The aim must now be to create a coherent vocational education and training system which is closely in tune with the requirements of the market place. We need a system which will provide what the customer seeks, when and where he wants it, in a form that is attractive and relevant, at a price he is prepared to pay. In the Government's view such a requirement calls for the progressive establishment, through the Manpower Services Commission, of a national training authority under which programmes can be more coherently planned, presented and delivered and which is capable of bringing together all the interests involved in vocational and technical education and training. We shall look to the Manpower Services Commission progressively to develop this role."

4. Begin para 44 with the words "As a first step"



NRPM AT 19/11 CG/NO. 13

Caxton House Tothill Street London SW1H 9NF
Telephone Direct Line 01-213 6400
Switchboard 01-213 3000

The Rt Hon Sir Keith Joseph Bt MP
Secretary of State for Education
and Science
Department of Education and
Science
Elizabeth House
York Road
LONDON SE1

18 January 1984

Dear Keith

WHITE PAPER ON TRAINING FOR JOBS

It has occurred to me that it would serve to emphasise the close collaboration between ourselves, George Younger and Nicholas Edwards in presenting and acting on the White Paper if the four of us were to sign a brief foreword to it. I attach a draft of what I have in mind and should be grateful to learn by noon this Friday if this would be acceptable to you and them.

I am sending copies of this letter and its enclosure to George Younger and Nicholas Edwards; and for information to the Prime Minister, the Chancellor of the Exchequer, the Secretaries of State for Northern Ireland, the Environment and Trade and Industry, the Chief Secretary; and to Sir Robert Armstrong.

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DRAFT FOREWORD TO THE WHITE PAPER ON TRAINING FOR JOBS

One of the major causes of our poor economic performance has been a poorly trained workforce. We have lagged behind our competitors in the quality and relevance of the preparation for working life and the training given during it. Putting this right is central to our aims for employment.

Two years ago in an earlier White Paper (Cmd 8455) we set the objectives and a programme of action towards them. Much has been achieved and the present White Paper shows the next steps to be taken.

They require hard work and cooperation from all involved in vocational education and training. For our part we are determined to see that the education and training systems work closely together to provide the creative investment in improving the skills of our people on which jobs and the nation's future depend.

Secretary of State for Employment

Secretary of State for Education and
Science

Secretary of State for Scotland

Secretary of State for Wales

SECRET

NORM AT 15/1

COPY NO 1

CC N.O.

12



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

17 January 1984

Dear Tom,

WHITE PAPER 'TRAINING FOR JOBS': MSC AND NAFE

Many thanks for your letter of 13 ^{attach} January and enclosed draft section of the White Paper.

I think we are at one on pretty well everything, but an error seems to have crept into the second and third lines of para 47. When we met last week, we had before us a text which read "Under these arrangements the Commission will be responsible for ensuring that these resources are used...". I am sure you would agree with me, now as then, that the implied reference should be back to the whole of the resources contemplated two paragraphs earlier. May I take it that the earlier version will be restored.

18-1-1984

Copies of this as of yours.

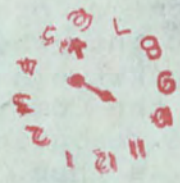
*Lawson,
New*

Rt Hon Tom King MP
Secretary of State
for Employment
Caxton House
Tothill Street
London SW1H 9NF

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18 JAN 1984



file

bc: Nick Owen

11

DSG

10 DOWNING STREET

From the Private Secretary

17 January 1984

WHITE PAPER "TRAINING FOR JOBS": MSC AND NAFE

The Prime Minister has seen your Secretary of State's letter to Sir Keith Joseph of 13 January. She was pleased to see that the outstanding points have been resolved. She agrees that the White Paper should be published and an oral statement made on 31 January. She has noted the allocation of expenditure between financial years that has been agreed and is content with the way the scope of the MSC has been described.

I am sending copies of this letter to Elizabeth Hodgkinson (Department of Education and Science), John Kerr (HM Treasury), John Lyon (Northern Ireland Office), John Graham (Scottish Office), Colin Jones (Welsh Office), John Ballard (Department of the Environment), Callum McCarthy (Department of Trade and Industry), John Gieve (Chief Secretary's Office, HM Treasury), David Young (Chairman, MSC) and Richard Hatfield (Cabinet Office).

Andrew Turnbull

D. J. Normington, Esq.,
Department of Employment.

CT



Caxton House Tothill Street London SW1H 9NF

Telephone Direct Line 01-213.....6400.....

Switchboard 01-213 3000

David Heyhoe Esq
Private Secretary to the
Lord Privy Seal
Privy Council Office
Whitehall
LONDON SW1A 2AT

dw
~~FF~~ CF
~~ff~~ fa
Charlotte
Vick DTJ
OK
16. January 1984 DF

Dear David,

WHITE PAPER "TRAINING FOR JOBS": PROPOSED ORAL STATEMENT
TUESDAY 31 JANUARY

My Secretary of State intends that the White Paper "Training for Jobs" which is to be presented by my Secretary of State jointly with the Secretaries of State for Education and Science, Scotland and Wales should be published on Tuesday 31 January. He would like, if possible, to make an Oral Statement on that day at 3.30pm and to arrange for a parallel statement to be made in the House of Lords. He understands that the Prime Minister would be content with this arrangement, provided the announcement is by oral statement after Questions.

I should be grateful if you and other copy recipients could confirm as soon as possible that there is no difficulty in this proposal. Knowledge of the proposal to present such a White Paper should be treated in confidence for the time being.

Copies of this letter go to Andrew Turnbull at No 10 and to the Private Secretaries to the Chancellor of the Exchequer, the Secretaries of State for Education and Science, Trade and Industry, the Environment, Scotland and Wales, the Lord President, the Chief Whip and Lord Gowrie.

Yours sincerely

David Normington

DAVID NORMINGTON
Principal Private Secretary

PRIME MINISTER

All outstanding differences have been resolved.

- (i) publication on 31 rather than 24 January.
- (ii) scope of MSC defined by example so that while in practice MSC concentrates on certain areas, there are no principles preventing it from moving into other areas.
- (iii) the two Ministers have agreed to go back to financial years. £65 million equals £110 million at an annual rate for the seven months of the 1985-86 academic year which fall in the 1985-86 financial year.

Content?

Yes

16 January, 1984



Caxton House Tothill Street London SW1H 9NF

Telephone Direct Line 01-213 6400.....

Switchboard-01-213 3000

The Rt Hon Sir Keith Joseph Bt MP
Secretary of State
Department of Education and Science
Elizabeth House
York Road
LONDON SE1

13 January 1984

Dear Secretary of State,

WHITE PAPER "TRAINING FOR JOBS": MSC AND NAFE

We met on Wednesday evening and reached complete agreement on all outstanding points. I am most grateful for your help in this.

I attach the text of this section of the White Paper as now agreed between us. It has been improved in a number of ways which will help presentation, particularly to the education interests. We also agreed that though the first year of operation will be the academic year 1985/86 funds should be transferred at a rate of £110m a year from the start, so that £65m would be transferred in the financial year 1985/86 and £110m in 1986/87.

We agreed that to leave you a clear field for the follow-up of your initiative on raising school standards it would be desirable to defer publication until Tuesday 31 January. I am now seeking the necessary clearances for this and our officials are drawing up details of the arrangements for our approval.

Copies of this letter go to the Prime Minister, the Chancellor of the Exchequer, the Secretaries of State for Northern Ireland, Scotland and Wales, the Environment and Trade and Industry, the Chief Secretary, MSC Chairman; and to Sir Robert Armstrong.

Yours sincerely

D. J. Morrison

/Approved by the Secretary of State
and signed in his absence/

SECRET

NEW ARRANGEMENTS WITHIN VOCATIONAL EDUCATION

42. If the important developments described in this White Paper are to be carried through successfully, public sector provision for training and vocational education must become more responsive to employment needs at national and local level. The public sector needs a greater incentive to relate the courses it provides more closely to the needs of the customer and in the most cost effective way.

43. The Manpower Services Commission, which consists of representatives of employers, unions and local authority and education interests, is now the main agency through which the Government institutes action and monitors progress in training. Since its establishment, and particularly in the last 3 years, the Commission has developed increasingly close relationships with the Education Departments, local education authorities and local colleges in implementing the new Technical and Vocational Education Initiative, the Youth Training Scheme and the Open Tech, as well as the longer established Training Opportunities Programme.

44. We have now decided to give the Commission important new responsibilities by enabling it to purchase a more significant proportion of work-related non-advanced further education provided by local education authorities. Non-advanced further education (NAFE) comprises the provision offered by local education authorities through Colleges of Further Education at qualification levels below degree, higher diploma, higher certificate and professional courses of equivalent level. The

SECRET

"work-related" NAFE referred to in this White Paper includes the technical and vocational courses (full and part time, including short courses and evening classes) offered by the great majority of Colleges. It does not include courses exclusively comprising 'O' and 'A' level examination work in non-technical subjects nor courses of the type which go traditionally under the adult education label.

45. At present, total expenditure on NAFE in England and Wales is about £1.2bn per annum, of which some £800m is devoted to provision that is work-related. The Manpower Services Commission itself currently spends about £90m as a customer direct or indirect, on NAFE courses or services. We have decided that the amount to be devoted by the Commission to such provision in England and Wales should increase to £155 million in the financial year 1985-86, and to £200 million in 1986-87. The intention is therefore that the MSC should by 1986-87 account for about one quarter of the total provision in this area. The resultant reduction in the need for local authority expenditure will be taken into account in settling the relevant rate support grants; the arrangements for this will be subject to consultation with the local authority associations through the normal consultative machinery.

46. In Scotland current arrangements for funding further education will remain unchanged while the major development programmes referred to earlier in this White Paper proceed.

47. Under the new arrangements in England and Wales the Commission will be responsible for ensuring that the increase in its resources is used to support vocational education and training at NAFE level closely geared to labour market needs. Decisions on what specifically should be supported in this way will be taken in consultation with the education service, employers and other interested parties. These decisions must reflect particular needs, especially at local level, and will change as the needs change.

48. We expect the Commission to give priority to provision for newly emerging skills, eg in electronics and robotics; to provision for occupations where traditional programmes no longer match modern industrial and commercial needs, eg some parts of business studies; and to arrangements for keeping courses and staff training up-to-date and relevant to work needs. It is envisaged that the great bulk of the resources, though not necessarily all, will continue to be spent within local authority colleges. The Commission will also want to take account of local authorities' own plans for expenditure on NAFE, and to maintain reasonable continuity of provision as regards both location and types of course. The lines along which this revised sharing of responsibility should operate will need to be developed further in discussion over the coming months with the precision needed for the consideration at national level of 1985/86 local authority expenditure.

49. The Commission is being asked as a matter of urgency to consider, consult and report to Government on appropriate machinery at both national and local level for carrying out its enhanced responsibilities. The Commission is also being asked to give attention to using, both at Head Office and in

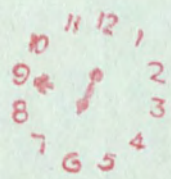
the field, staff with direct experience in education: some secondments from local education authorities might be especially appropriate.

50. The statutory composition of the Commission itself, which includes two members appointed after consultation with local authority associations and one after consultation with professional education interests, will remain unchanged. Its members will continue to be appointed by the Secretary of State for Employment. In future appointments, however, the Secretary of State for Education and Science, in consultation with the Secretary of State for Wales, will be responsible for the necessary consultations not only on the representation of professional education interests but also of local authority interests in England and Wales, as the Secretary of State for Scotland already is in respect of Scotland.

51. The Commission will continue to report on the whole of its activities to the Secretary of State for Employment. The Secretary of State for Education and Science will be fully involved in the consideration and approval of the Commission's Corporate Plans and in proposals substantially affecting NAFE provision in England. Education Ministers will continue to exercise their statutory responsibilities for policy and standards in further education. The Commission will continue to report to the Secretaries of State for Scotland and Wales in respect of its Corporate Plans and programmes for Scotland and Wales.

52. The Commission is being asked to begin the necessary consultations immediately, so that plans can be settled in good time for the beginning of the 1985/86 academic year. It is our intention that educational interests, employers and other interested parties should be properly consulted and involved in the development of these important new arrangements.

13 JAN 1984





NBPM AT 12/11
NEW ST. ANDREWS HOUSE
ST. JAMES CENTRE
EDINBURGH EH1 3SX 49

SECRET

Barnaby Shaw Esq
Private Secretary to the Secretary
of State for Employment
Department of Employment
Caxton House
Tothill Street
LONDON
SW1H 9NF

12 January 1984

Dear Barnaby,

WHITE PAPER "TRAINING FOR JOBS": MSC AND NAFE

We have only one comment on the revised draft section enclosed with your Secretary of State's letter of 10 January to Sir Keith Joseph.

The first sentence of paragraph 6 is obviously intended to refer to the proposals for England and Wales, but is potentially confusing since it might be thought to refer to the arrangements in Scotland. In order to make the position clear, I suggest that paragraphs 5 and 6 should be transposed.

I am copying this letter to David Barclay (No 10), Elizabeth Hodgkinson (DES), Calum McCarthy (DTI), John Ballard (DOE), Colin Jones (Welsh Office), Derek Hill (NIO) and Richard Hatfield (Cabinet Office).

Yours sincerely,
John S. Graham

J S GRAHAM
Private Secretary

~~CONFIDENTIAL~~

cc No

ANBPM 1/5 10/1

with AT



NORTHERN IRELAND OFFICE
WHITEHALL
LONDON SW1A 2AZ

SECRETARY OF STATE
FOR
NORTHERN IRELAND

The Rt Hon Tom King MP
Secretary of State for Employment
Department of Employment
Caxton House
Tothill Street
LONDON SW1H 9NF

11 January 1984

Alan T

WHITE PAPER ON VOCATIONAL EDUCATION AND TRAINING

PART 1

You wrote to Keith Joseph (and copied to colleagues) on 22 December inviting comments on points of substance in the latest draft of the White Paper which accompanied your letter.

As you know Northern Ireland has separate legislation and administration arrangements for industrial training and we have a separate Youth Training Programme which differs in some significant ways from YTS. Accordingly I do not have any suggestions for change in the substance of the White Paper, which I think will be a useful contribution to maintaining informed public discussion and awareness of an important aspect of development of the economy. I do not anticipate that the general thrust of policy which the Paper promulgates will cause me any difficulty in adopting or revising arrangements in Northern Ireland appropriate to the particular background and circumstances here. I note that the references to MSC involvement in work-related further education which were the subject of your separate letter of 22 December to Keith Joseph are not included in the draft at this stage, but I have already written to you on that aspect.

However, I feel that since the White Paper will obviously attract nation-wide publicity it will be important to include a paragraph in it which delineates Northern Ireland's position. I understand that my officials have suggested to yours the following:

"This White Paper relates to arrangements in Great Britain. Northern Ireland has separate legislation and administration arrangements for industrial training. Existing and future arrangements will continue to reflect overall Government policy on the thrust of industrial training taking account of Northern Ireland's own particular economic and social needs."

.... /

CONFIDENTIAL

I would be glad if this (or a similar agreed reference) could be incorporated.

I am copying this letter to the Prime Minister, Nigel Lawson, Peter Rees, Sir Keith Joseph, Patrick Jenkin, George Younger, Nick Edwards, Norman Tebbit and Sir Robert Armstrong.

*Y
Lawson
J
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EDUCATION: TVEI: OCT 82

JULY 1984

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Caxton House Tothill Street London SW1H 9NF

Telephone Direct Line 01-213 6400.....

Switchboard 01-213 3000

The Rt Hon Sir Keith Joseph Bt MP
 Secretary of State
 Department of Education and Science
 Elizabeth House
 York Road
 LONDON SE1

10 January 1984

Dear Keith,

WHITE PAPER "TRAINING FOR JOBS": MSC AND NAFE *PA 1*

I circulated to you and other recipients on 22 December a first draft of the section of the White Paper announcing our decisions on MSC and NAFE.

I now circulate, on the same restricted basis as before, a revised draft of this section, taking account of comments received and in particular your helpful re-draft which, as you will see, I have basically adopted.

I have incorporated (as paragraphs 12 and 13) relevant material from what was the "Delivery" section of the draft White Paper, which this would now simply replace.

... I also enclose a draft item (ix) for inclusion in the "Next Steps" section of the White Paper to cover this matter.

In the light of the No 10 letter of 5 January, the revised draft makes clear in paragraph 4 that the figures of £70m and £110m refer to the academic years 1985/86 and 1986/87 respectively. We can agree later how this translates into financial year terms.

Also in the light of the No 10 letter, my changes to your draft of paragraph 7 indicates how far I think we can go towards reassuring local authorities and colleges without unduly tying the Commission's hands at the outset. Of course we recognise that much good work is done, but I do not think there is any field in which we can or should say that no course in any locality, now or in the future, could possibly benefit from the Commission's support - nor perhaps on reflection would local authorities want to exclude it.



I hope that you will now find the draft acceptable but I stand ready to meet you at 5pm tomorrow as arranged to discuss if need be. I should in any case be grateful for any final comments that you or others may have on this revised draft by then.

I propose to send the White Paper for printing at the end of the week for publication on Tuesday 24 January as the earliest possible date. I recognise that this is not without its difficulties for you and for Patrick Jenkin in relation to other events, but there is such clear advantage in avoiding delay in this case that I hope it may be possible for solutions to be found to ease your problems with this date. I am asking my officials to consult with yours and others involved on the various arrangements we need to make for handling publication.

Copies of this letter go to the Prime Minister, the Chancellor of the Exchequer, the Secretaries of State for Northern Ireland, Scotland, Wales, the Environment and Trade and Industry, the Chief Secretary; and to Sir Robert Armstrong.

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NEW ARRANGEMENTS IN VOCATIONAL EDUCATION

1. If the important developments described in this White Paper are to be carried through successfully, public sector provision for training and vocational education must become more responsive to employment needs at national and local level must be better co-ordinated. The public sector needs a greater incentive to relate the courses it provides more closely to the needs of the customer and in the most cost effective way.

2. The Manpower Services Commission, which consists of representatives of employers, unions and local authority and education interests, is now the main agency through which the Government institutes action and monitors progress in training. Since its establishment, and particularly in the last 3 years, the Commission has developed increasingly close relationships with the Education Departments, local education authorities and local Colleges in implementing the new Technical and Vocational Education Initiative, the Youth Training Scheme and the Open Tech, as well as the longer established Training Opportunities Programme.

3. The Government has now decided to give the Commission important new responsibilities by enabling it to purchase a more significant proportion of work-related non-advanced further education provided by local education authorities. Non-advanced further education (NAFE) comprises the provision offered by local education authorities through Colleges of Further Education at qualification levels below degree, higher diploma and professional courses of equivalent level. The "work-related" NAFE referred to in this White Paper includes the technical and vocational courses (full and part-time,

including short courses and evening classes) offered by the great majority of Colleges. It does not include courses exclusively comprising 'O' and 'A' level examination work in academic subjects nor courses of the type which go traditionally under the adult education label.

4. At present, total expenditure on NAFE in England and Wales is about £1.2bn per annum, of which some £800m is devoted to provision that is work-related. The Manpower Services Commission itself currently spends about £90m as a customer, direct or indirect, on NAFE courses or services. The Government has decided that the amount to be devoted by the Commission to such provision in England and Wales should increase to £160 million in the academic year 1985-86, and to £200 million in 1986-87. The intention is therefore that the MSC should by 1986-87 account for about one quarter of the total provision in this area. The resultant reduction in the need for local authority expenditure will be taken into account in settling the relevant rate support grants; the arrangements for this will be subject to consultation with the local authority associations through the normal consultative machinery that exists for the consideration of rate support grant issues.

5. In Scotland current arrangements for funding further education will remain unchanged while the major development programmes referred to earlier in this White Paper proceed.

6. Under these arrangements the Commission will be responsible for ensuring that these resources are used to support vocational education and training at NAFE level closely geared to labour market needs. Decisions will be taken in consultation with the education service, employers and other interested parties on what specifically should be

supported in this way. These decisions must reflect particular needs, especially at local level, and will change as the needs change.

7. The Government expects the Commission to give priority to provision for newly emerging skills, eg in electronics and robotics; to provision for occupations where traditional programmes no longer match modern industrial and commercial needs, eg some parts of business studies; and to arrangements for keeping courses and staff training up-to-date and relevant to work needs. It is envisaged that the great bulk of the resources, though not necessarily all, will continue to be spent within local authority colleges. The Commission will also want to take account of local authorities own plans for expenditure on NAFE and to maintain reasonable continuity of provision as regards both location and types of course. The lines along which this revised sharing of responsibility should operate will need to be developed further in discussion over the coming months.

8. The Commission is being asked as a matter of urgency to consider, consult and report to Government on appropriate machinery at both national and local level for carrying out its enhanced responsibilities. The Commission is also being asked to give attention to using, both at Head Office and in the field, staff with direct experience in education: some secondments from local education authorities might be especially appropriate.

9. The statutory composition of the Commission itself, which includes two members appointed after consultation with local authority associations and one after consultation with professional education interests, will remain unchanged. Its members will continue to be appointed by the Secretary of

SECRET

State for Employment. In future appointments, however, the Secretary of State for Education and Science, in consultation with the Secretary of State for Wales, will be responsible for the necessary consultations not only on the representation of professional education interests but also on local authority interests in England and Wales, as the Secretary of State for Scotland already is in respect of Scotland.

10. The Commission will continue to report on the whole of its activities to the Secretary of State for Employment. The Secretary of State for Education and Science will be fully involved in the consideration and approval of the Commission's Corporate Plans and in major proposals affecting NAFE provision in England. Education Ministers will continue to exercise their statutory responsibilities for policy and standards in further education. The Commission will continue to report to the Secretaries of State for Scotland and Wales in respect of Corporate Plans and programmes for Scotland and Wales.

11. The Commission is being asked to begin discussions with the local authority associations and others concerned immediately, so that plans can be settled in good time for the beginning of the 1985/86 academic year. It is the Government's intention that educational interests should be properly consulted and involved in the development of these important new arrangements.

12. It is vital also to involve local employers closely with the work of the education and training service and these new arrangements will reinforce existing efforts in this direction. Much is already being done through the network of Area Manpower Boards which advise the Commission on the setting up and monitoring of the Youth Training Scheme and the

SECRET

Community Programme in their areas. The Government's PICKUP initiative, as earlier described, already encourages education and training establishments to collaborate with employers to ensure that the training they offer is geared to the needs of industry and commerce. Such collaboration may be achieved in various ways - ranging from involvement of employers in the management of institutions and development of programmes to the provision by employers of financial or material support for local schemes.

13. Other training institutions including Commission's Skillcentres and privately run colleges must also be geared into the system to ensure that training is delivered most efficiently and cost effectively. In particular, the new Skillcentre Training Agency established by the Commission will ensure that Skillcentres will adopt a commercial approach in identifying and supplying the training that the Commission and employers want.

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Item for inclusion in "The Next Steps" section

- (iv) to ensure that public sector provision for training and vocational education is better co-ordinated and more responsive to employment needs, the Manpower Services Commission's resources for purchasing work-related non-advanced further education in England and Wales will be increased to represent by 1986-87 about one quarter of the total public sector provision for this area, with a resultant reduction in local authority expenditure and rate support grant.

CC NO .

SECRET



Prime Minister ②
To note, X in particular
which should be agreed.
AT 106, 7

Treasury Chambers, Parliament Street, SW1P 3AG

Rt Hon Tom King MP
Secretary of State for Employment
Department of Employment
Caxton House
Tothill Street
LONDON
SW1H 9NA

9 January 1984

Dr. Sunday J. Stik

PH1 Thank you for sending me copies of your letters of 22 December to Keith Joseph which together enclosed a complete draft of the White Paper on vocational education and training.

I have only one substantive comment on the section of the draft which precedes the reference to the MSC and NAFE. This concerns the review to be carried out in 1984 of whether school leavers should remain entitled to supplementary benefit in their own right. The draft does not mention this, but perhaps ought to do so for two reasons. First, the previous White Paper on training in December 1981 clearly foreshadowed the withdrawal of SB entitlement from minimum age school leavers; and this is one of the few areas in which the draft of the new paper does not report subsequent developments. Secondly, the question is relevant to the general theme of those sections of the draft dealing with the contribution of trainees to their own training costs, and with the relationship between YTS and the provision of vocational preparation through the education system. I think it would be unfortunate if we were to give the impression that SB entitlement had been relegated to the back burner.

X Turning to the question of NAFE, my main concern is to ensure that, as agreed at the Prime Minister's meeting on 20 December, nothing is said in the White Paper which will put at risk our ability to ensure that there is no increase in net expenditure as a result of the transfer of resources from local authorities to the MSC.

I should be grateful therefore if you would accept the following recasting of paragraph 5 of this part of your draft, and some minor changes to the start of paragraph 6.

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Paragraph 5

The Government has decided that the amount to be devoted by the MSC to work-related NAFE should increase from £90 million to £160 million in 1985-86, and to £200 million in 1986-87. The intention is therefore that the MSC should by 1986-87 account for about one quarter of the total provision in this area. The resultant reduction in the need for local authority expenditure will be taken into account in settling the relevant rate support grants. These arrangements will be subject to consultation with the local authority associations through the normal consultative machinery that exists for the consideration of rate support grant issues.

Paragraph 6

First line: delete "additional".

Fifth line: delete "these additional" and substitute "their".

On a small point in the fourth line of paragraph 7, should it not be "enhanced" rather than "new"?

Otherwise I am broadly content with the draft. We will of course have to consider separately the mechanics of preventing a net increase in expenditure. My officials will be in touch with yours to suggest minor drafting amendments.

Copies of this go to the Prime Minister, the Secretaries of State for Education, Trade & Industry, Environment, Scotland, Wales & Northern Ireland & to Sir Robert Armstrong.

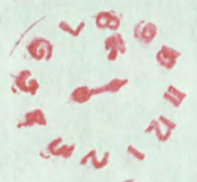
Yours sincerely

J. G. G. G.

PETER REES

[Approved by the Chief Secretary]

Edue TVE 1 P+2



10 JAN 1984

PRIME MINISTER

Sir Keith accepts your ruling that the £70/110 million relate to academic years (naturally), but he is still arguing that MSC should confine itself to particular areas of NAFE, though you ruled that MSC should not be restricted..

I think the second issue can be solved, as Sir Keith suggests by exemplification. In practice MSC will want to concentrate its limited resources on those areas where NAFE is weakest, or skill shortages greatest. Thus the two Departments should be able to agree a text indicating MSC's likely areas of activity, but without creating any principles. It is important to leave the field open should we decide to expand MSC's resources in later years.

On the date of the White Paper, I see no reason to press for one date or the other.

Amend mt

MahKen
PP AT

9 January, 1984.

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COPY NO 1



2 pp 3

cc No

6

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

The Rt Hon Tom King MP
Secretary of State for Employment
Dept of Employment
Caxton House
Tothill Street
LONDON SW1H 9NF

9 January 1984

Dear Tom,

WHITE PAPER "TRAINING FOR JOBS": MSC AND NAFE

Thank you for your letter of 22 December. I have also of course seen the letter from No 10 dated 5 January.

Since we were last in touch, our officials have got together over the draft White Paper text which you enclosed with your letter. In the light of those discussions, and further discussions which I have had with my officials following my return to the office this morning, the attached revised version of the draft enclosed with your letter has been prepared in the DES. I hope that you will feel able to go along with this version. Many of the changes are matters of style, accuracy and presentation. But there are two points of substance which I think we shall have to discuss when we meet on Wednesday.

First, there is the question of the amount of the transfer. I persist with my view, encouraged by the indication of support from the Prime Minister, that the agreement is for £70m in Academic year 1985/6 and £110m in Academic Year 1986/7. In Financial Year terms we make this £41m for 1985/6 and £93m for 1986/7.

Second, I persist also with my view that we ought from the outset to indicate to the local authorities (and others) what the Government means when it acknowledges that in some fields current provision is widely regarded as satisfactory. We can do this by exemplification. Correspondingly, I would accept that we should indicate, again with examples, where we think MSC intervention may confer particular benefit. I respect the Prime Minister's wish not to tie the MSC's hands - but I believe that it is possible to respect her concern and at the same time reduce the risk of a destructive

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row with the LEAs.

Related to this is the question how far we shall need to have specified, in relation to this summer's local authority expenditure discussions, what activities LEAs should cease to provide from their own resources. If there are difficulties over indicating broadly what MSC may take over from the LEAs, I think the White Paper will need to incorporate some more decisive wording than now features in the last sentence of paragraph 7.

I shall want also to have a word about the best timing for the issue of the White Paper. It will make a great difference to the advancement of other business which I have with the local education authorities if the date chosen can be 31 January rather than 24 January. I hope you will see your way to agreeing to that.

Copies of this as of yours.

Yours ever,

Kear

X I enclose a copy of the policy speech I made on Friday about raising school standards: I do need a clear 3 weeks to launch the resulting action with the local authorities before the further news bursts upon them. That is why January 31st is important to me. Kear

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DELIVERY

1. If the important developments described in this White Paper are to be carried through successfully, the Government believes that public sector provision for training and vocational education needs to become more responsive to employment needs at national and local level and better related with other sources of training. The public sector needs a greater incentive to relate the courses it provides more closely to the needs of the customer in a way that gives value for money.

2. The Manpower Services Commission, which consists of representatives of employers, unions and local authority and education interests, is now the main agency through which the Government institutes action and monitors progress in training. Since its establishment - particularly in the last 3 years - the Commission has developed increasingly close relationships with the Education Departments and with local education authorities and their institutions at local level through implementation of the Technical and Vocational Education Initiative, the Youth Training Scheme and the Open Tech, as well as the Training Opportunities Programme.

3. The Government has now decided to give the Commission important new responsibilities by enabling it to purchase a more significant proportion of work-related non-advanced further education (NAFE)* provided by local education authorities in England and Wales. In Scotland current arrangements for funding further education will remain unchanged while the major development programmes referred to in paragraphs [24-25A] proceed.

* Non-advanced further education comprises the provision offered by LEAs through colleges of further education at qualification levels below degree, higher diploma and professional courses of equivalent level. The "work related" NAFE referred to in this paper includes the technical and vocational courses (full and part-time, including short courses and evening classes) offered by the great majority of colleges. It does not include courses exclusively comprising 'O' and 'A' Level examination work nor courses of the type which go traditionally under the adult education label.

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4. At present, total expenditure on the NAFE sector in England and Wales is about £1.2bn per annum, of which some £800m is devoted to provision that is work-related. The Manpower Services Commission itself currently spends about £90m as a customer, direct or indirect, on NAFE courses or services. The remaining expenditure (apart from £60m a year covered by fees) is borne by local authorities, and attracts rate support grant in the same way as other local authority services. None of the rate support grant is hypothecated to particular services, but for local government expenditure as a whole rate support grant together with specific and supplementary grants will represent about 52% of estimated relevant current expenditure in 1984-85. Thus it could be said that the bulk of the expenditure on work-related NAFE is borne about equally by the ratepayer and the taxpayer, though no precise attribution is possible, and the proportions of expenditure supported by rates and grant will vary from authority to authority.

5. For the reason explained in para [1] above, the Government has decided that an additional £70m in Academic Year 1985/86 and £110m in Academic Year 1986/7 should be provided to the MSC to spend on work-related NAFE: in Financial Year terms the figures will correspondingly be £41m and £93m. This would bring total MSC expenditure on work-related NAFE to £200m, approximately a quarter of total provision. The increase will be matched by an offsetting reduction in the Government's plans for local authority expenditure on this activity.

6. The Commission will be required to devote these resources to supporting work-related NAFE to meet national and local labour market priorities. It is of the essence of the new concept that the specific aspects of vocational education to which the Commission's resources should be directed will be identified by continuing dialogue with employers, the education service and other interested parties. It will reflect particular and changing needs, especially at local level, rather than be laid down centrally and at the outset.

7. In broad terms, however, the Government expects the Commission to place emphasis upon ensuring that unsatisfied national and local labour market needs are met, eg in electronics and robotics; upon provision for occupations where traditional programmes no longer match modern in-

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dustrial and commercial needs, eg in parts of business studies; and upon arrangements to keep courses and staff training up-to-date and relevant to work needs. It is envisaged that the great bulk of the resources, though not necessarily all, will continue to be spent within the local authority NAFE sector. The Commission will also want to take account of local authorities' own plans for expenditure on NAFE and to maintain reasonable continuity of provision as regards both location and type of course. Fields where current provision is widely regarded as satisfactory, eg agriculture, plumbing, catering, will not be directly affected. The lines along which this revised sharing of responsibility should operate will need to be developed further in discussion over the coming months in order to support the consideration at national level of 1985/86 local authority expenditure.

8. The Commission is being asked as a matter of urgency to consider, consult and report to Government on appropriate machinery at both national and local level, the functions, number, membership and geographical coverage of the Commission's Area Manpower Boards. The Commission is also being asked to give attention to engaging staff with direct experience in education for deployment both at Head Office and in the field: secondments from local education authorities might be especially appropriate.

9. The statutory composition of the Commission itself, which includes two members appointed after consultation with local authority association and one after consultation with professional education interests, will remain unchanged. Its members will continue to be appointed by the Secretary of State for Employment. In future appointments, however, the Secretary of State for Education and Science, in consultation with the Secretary of State for Wales, will be responsible for the necessary consultations not only on the representation of professional education interests but also on the representation of local authority interests in England and Wales, as the Secretary of State for Scotland already is in respect of Scotland.

10. The Commission will continue to report on the whole of its activities and for programmes in England to the Secretary of State for Employment. But the Secretary of State for Education and Science will be fully involved in

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- the consideration and approval of the Commission's Corporate Plan
- major developments and changes in policy affecting the NAFE field in England
- the approval of the Commission's expenditure proposals under the procedures described in paras [6-7] above.

Education Ministers will continue to exercise their statutory responsibilities for policy and standards in further education. The Commission will continue to report to the Secretaries of State for Scotland and Wales in respect of programmes run in their countries.

11. The Commission is being asked to begin discussions with the local authority associations and others concerned immediately, so that plans can be settled in good time for the beginning of the 1985/6 Academic Year (ie from the Autumn of 1985). It is the Government's intention that local education authorities and other appropriate educational interests and their representatives should be involved at every stage of the development of these important new arrangements.

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SECRETARY OF STATE
FOR
NORTHERN IRELAND

NORTHERN IRELAND OFFICE
WHITEHALL
LONDON SW1A 2AZ

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The Rt Hon Tom King, MP
Secretary of State for Employment
Caxton House
Tothill Street
London SW1H 9NF

9 January, 1984

Dear Secretary of State

WHITE PAPER "TRAINING FOR JOBS": MSC AND NAFE

with AT

Thank you for letting me see a copy of your letter of 22 December to Keith Joseph about the terms in which the forthcoming White Paper should refer to a reallocation of resources from the local government education sector to the MSC, which would in turn use those resources to support appropriate work-related further education.

As you know, institutional arrangements in Northern Ireland both for the education service and for manpower and training differ from those in Great Britain. When the shape of this new development of policy in Great Britain has been determined I will, however, want to take another look at our arrangements, both institutional and financial, to satisfy myself that they are capable of responding to such a new thrust of policy, adopted as may be necessary to local needs and conditions.

I am copying this letter to recipients of yours.

Yours sincerely

Dech Atwell

Approved by the
Secretary of State
and signed in his
absence.

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Secretary of State for Trade and Industry

NBPM AF 2/11 CS NO

DEPARTMENT OF TRADE AND INDUSTRY

1-19 VICTORIA STREET

LONDON SW1H 0ET

Telephone (Direct dialling) 01-215 5422

GTN 215

(Switchboard) 215 7877

CONFIDENTIAL

9 January 1984

Peter Smith Esq
Private Secretary to the
Secretary of State for Employment
Caxton House
Tothill Street
London SW1

Deu Peter

WHITE PAPER ON VOCATIONAL EDUCATION AND TRAINING

Your Secretary of State wrote ^{see Pt 1} to the Secretary of State for Education and Science on 22 December asking for comments on an attached draft White Paper on vocational education and training.

We have no comments on the draft itself but would suggest two small additions to mention the activities of this Department which are supportive of the activities of the DES and the MSC. The additions we suggest are as follows:

Para 21 Add -

The Department of Trade and Industry has for some time encouraged the promotion of technology in schools and intends shortly to support a national schools programme; this will operate in collaboration with TVEI and help ensure its more rapid development.

The introduction of Information Technology Centres (ITECS) as a collaborative project between MSC and DTI has proved highly successful; it is intended to increase the number of centres to 175 and students have an excellent record of job placement.

Para 23 Add -

The Industry/Education Unit of the Department of Trade and Industry has developed a network of schemes, and working through LEA's has helped provide for local school-industry liaison officers and to support a wide range of activities.

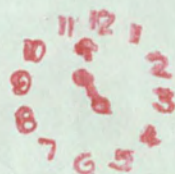
I am sending copies of this letter to David Barclay (No 10), Margaret O'Mara and John Gieve (Treasury), John Lyon (Northern Ireland), Alan Davis (Environment), Edward Gowans (Scotland), Judy Roberts (Wales) and Richard Hatfield (Cabinet Office).

*Yours and
Steve*

STEPHEN NICKLEN
Private Secretary

EDUCATION
TRUST
PX 2

- 9 JAN 1984





CONFIDENTIAL

NBPM AT 9/1 a NO

2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

My ref:

Your ref:

6 January 1984

Dear Tom,

Thank you for sending me a copy of your letter of 22 December to Keith Joseph enclosing a copy of a draft White Paper on Vocational Education and Training.

I am concerned that no new burdens should be placed on local authorities at the same time as we are asking them to exercise stringent restraint on their current expenditure levels. This is particularly important now when we are attempting to get controversial legislation on rate limitation on to the statute book. It seems to me that the wording of paragraph 51(i) may unintentionally give the wrong signal to local education authorities. I suggest the inclusion of the words ", within the resources available," after "education" in that sub-paragraph.

At the meeting of E(A) on 13 December we noted that although YTS should be through employer led schemes wherever possible, there might be a shortage of employers in some areas, such as the inner cities. It would be helpful if the White Paper could be amended so as to indicate that the Government is aware of this problem. It might also say that we accept that reliance on a market based approach to training provision should not be allowed to penalise young peoples' access to training in areas where there is a shortage of the larger employers to operate MSC schemes. In such areas the local authorities and voluntary training agencies have a greater role to play.

I am copying this letter to those who received copies of yours.

Yours ever
Patrick Jenkin

PATRICK JENKIN

EDUCATION: TVEI PT 2



9 JAN 1981



DOE Copy 1 of 10.

SECRET

NBSM

BT

511

2 MARSHAM STREET
LONDON SW1P 3EB

01-212 3434

My ref:

Your ref:

6 January 1984

Dear Tom,

WHITE PAPER "TRAINING FOR JOBS": MSC AND NAFE

Your Private Secretary sent mine on 3 January a copy of your letter of 22 December to Keith Joseph.

As regards my Department's interests I am content with the draft passage for the White Paper, especially paragraphs 4 and 5.

We have recognized that the presentation of this decision to the local authority leaders will be tricky. In view of my general concern with local government expenditure I may need to be involved. I understand that your Department is preparing a "presentation plan", on which I should like to be consulted.

/ I am copying this letter to those who received copies of yours.

Your wife
Pat

PATRICK JENKIN



NBPM
AJ
6/1

3
NEW ST. ANDREWS HOUSE
ST. JAMES CENTRE
EDINBURGH EH1 3SX

SECRET

The Rt Hon Tom King MP
Secretary of State for Employment
Caxton House
Tothill Street
LONDON
SW1H 9NF

5 January 1984

Dear Tom,

WHITE PAPER "TRAINING FOR JOBS": MSC AND NAFE

In your letter of 22 December to Keith Joseph you asked for comments on the draft paragraphs for the White Paper concerning changes in the MSC's responsibilities for work-related training in the non-advanced further education sector.

I should be grateful if you would change the last sentence of paragraph 3 to read:-

"In Scotland current arrangements for funding further education will remain unchanged while the major development programmes referred to in paragraphs [24-25A] proceed".

This cross-reference to the developments which we have already set in train in Scotland would explain our purpose better than the rather vague reference to our "somewhat different pattern of education provision" in your draft of 22 December. For convenience I enclose a copy of these other paragraphs in the White Paper as I would now like them to read: these revised paragraphs are being sent this week to your officials dealing with the rest of the White Paper.

I am copying this letter and enclosure to the Prime Minister, the Chancellor of the Exchequer, the Secretaries of State for Education and Science, Trade and Industry, Wales and Northern Ireland, the Chief Secretary and Sir Robert Armstrong.

Yours truly,
Cunze.

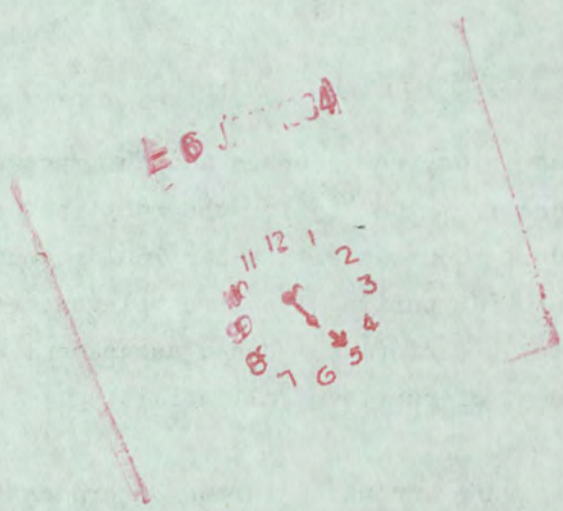
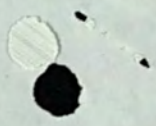
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Scotland

24. In Scotland for 14-16 year olds, new courses and an improved system of assessment are being introduced from 1984/85 for the Scottish Certificate of Education (SCE) Standard grade. Courses with a particular vocational or technological emphasis will provide pupils with more relevant experience in schools for later working life. Performance-based assessment will provide better recognition of attainment of pupils of all abilities.

25. For 16-18s, major changes were announced in the Government's Action Plan of January 1983. A more flexible system of modular courses is to be introduced leading to a single new vocational certificate which will absorb the Scottish Certificate of Vocational Studies and other non-advanced further education qualifications as agreement is reached with examining bodies and employers. A close relationship will be developed with YTS certification. General and specialist modules may be combined in different ways to provide full-time and part-time courses in schools and further education colleges to suit the needs of young people and also of adults entering training or returning to education. For employers, the modular programmes will offer nationally validated standards of attainment, a single record of what has been achieved by each student and, at the same time, the opportunity to negotiate suitable programmes to meet their changing requirements. Colleges will be able to adapt teaching materials and approaches within modular programmes to meet local industry's needs.

25A. The 14-18 development programmes are thus establishing a new framework which will encourage closer links in Scotland between schools and non-advanced further education and between education, training and work. These links are also being strengthened by the Scottish Microelectronics Development Programme, the consideration which is being given to Scottish participation in the TVEI, and by the follow up to the Consultative Committee on the Curriculum's major project on "Education for the Industrial Society". Meantime education authorities have begun the process of reviewing their provision for the 16 to 18 age group and are developing new arrangements, including consortia of schools and further education colleges, to achieve greater effectiveness and flexibility of provision.



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FILE

WJ

3/c: N.O.

10 DOWNING STREET

From the Private Secretary

5 January, 1984

WHITE PAPER ON VOCATIONAL EDUCATION AND TRAINING

The Prime Minister has seen the draft of the White Paper attached to your Secretary of State's letter to Sir Keith Joseph of 22 December. She was content with it.

I am sending a copy of this letter to John Kerr (HM Treasury), John Gieve (Chief Secretary's Office), John Lyon (Northern Ireland Office), John Graham (Scottish Office), Colin Jones (Welsh Office), Callum McCarthy (Department of Trade and Industry) and to Richard Hatfield (Cabinet Office).

(A. Turnbull)

J.B. Shaw, Esq.,
Department of Employment

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DETS

B/c: N.O.

10 DOWNING STREET

From the Private Secretary

5 January, 1984

WHITE PAPER "TRAINING FOR JOBS": MSC AND NAFE

The Prime Minister has seen your Secretary of State's letter to Sir Keith Joseph of 22 December. On the build up of expenditure by the MSC, she feels it is more natural to regard the first year of operation as the first academic year. Since, apart from some limited expenditure on preparatory work, expenditure will not start until September 1985, actual expenditure and hence funds transferred from RSG would be less than £70 million in the 1985-86 financial year. Likewise £110 million would be transferred in the second academic year producing a slightly smaller figure in the 1986-87 financial year. The Prime Minister would be grateful for further advice on precisely how the allocation between financial years should be made.

Your Secretary of State raised the question of whether MSC should take total responsibility for particular subjects or client groups. The Prime Minister takes the view that this would tie MSC's hand to an undesirable extent and reduce its ability to direct its spending where it would have most impact. She therefore feels that MSC should be free to finance any part of vocational NAFE.

I am sending a copy of this letter to John Kerr (HM Treasury), Callum McCarthy (Department of Trade and Industry), John Graham (Scottish Office), Colin Jones (Welsh Office), John Lyon (Northern Ireland Office), John Gieve (Chief Secretary's Office) and Richard Hatfield (Cabinet Office).

(A. Turnbull)

J.B. Shaw, Esq.,
Department of Employment

PRIME MINISTER

WHITE PAPER ON TRAINING

I have investigated further the proposal that staff should be seconded from LEAs to the MSC (you expressed reservations about this at the meeting of Ministers on the grounds that this could cause the MSC to be infiltrated with the education ethic rather than the training ethic). I have not been able to speak to David Young, who is on leave, but both Mr. King's Private Office and Geoffrey Holland (number two at the MSC) confirm that they are content with this proposal. The initiative would come from the MSC which would meet its need for extra staff either by direct recruitment or by borrowing people from LEAs on secondment. The people borrowed from LEAs would work to MSC requirements and would be employed for their knowledge of the NAFE field. They would be particularly useful in negotiating with CFEs. There is no question of LEAs having a right to any quota of MSC jobs.

In the light of this, are you content?

You queried Oliver Letwin's proposal for reconciling the decision to spend £70 million in the first year and £110 million in the second year with the fact that the financial and academic years do not coincide. Could I attempt a further explanation?

The difficulty is that in the first financial year, 1985-86, spending will not start until September '85, i.e. nearly half way through the year. Oliver's proposal is that the actual transfer of RSG monies should not be the full £70 million, but that amount which produces £70 million at an annual rate in the period from September '85 to April '86. This would be about £40 million. To this could be added a small amount to cover once-off expenditure to launch the scheme. The transfer in the second financial year, 1986-87, would be the full £110 million.

This proposal is more in line with DES thinking than that of Department of Employment who are arguing for the full £70 million

/ in

in the first financial year. In my view, the proposal above is more logical as to transfer the full £70 million in the first year would permit spending between September '85 and April '86 to be at an annual rate considerably higher than £70 million. There would thus be no tapered entry of the scheme, a factor which was thought desirable first to carry the local authorities and secondly to prevent the MSC taking on too much in one go.

Are you content with this?

AT

Simply the meaning of our
decision was "that amount which would
enable £70 to be spent in the first year
of operation" ?

3 January 1984

PART 1 **ends:-**

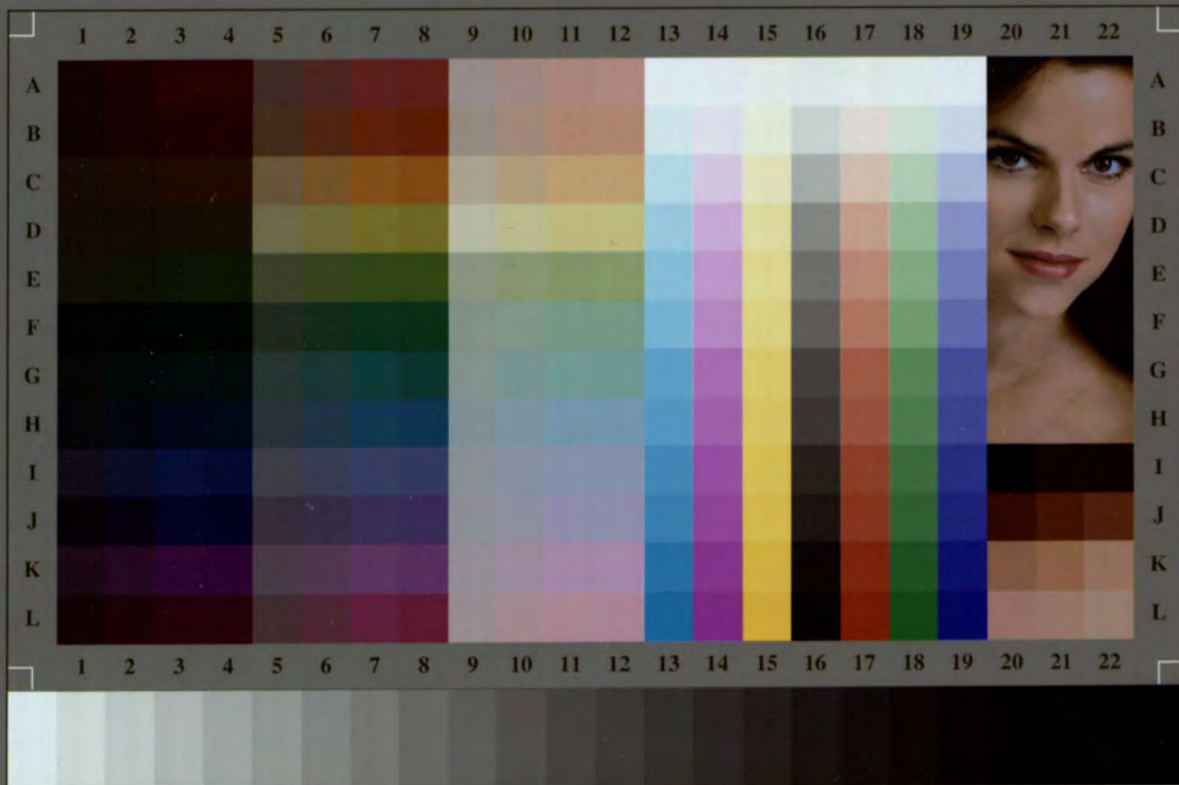
DES to EMP 23-12-83

PART 2 **begins:-**

AT to PM 3-1-84

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