

Manpower

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PRIME MINISTER

Statement on Youth Training

Mr. Tebbit's Statement received a rather snide welcome from the Opposition. Eric Varley said he was pleased that Mr. Tebbit had been persuaded to increase the level of allowance, and to postpone the withdrawal of supplementary benefit from trainees on the scheme. He welcomed Mr. Tebbit's "flexibility", but he caricatured the proposals as an expedient to cover up the problem of youth unemployment, and called for "policies of economic and industrial expansion". He said that the recent indicators had shown the failure of the Government's economic policy. Mr. Tebbit responded to this by saying that the real problem was the long term unemployed, on which the Chancellor had announced proposals in his Budget, that on any forecast the economic situation would be brighter when those entering the scheme came on to the labour market, and that a visit to France would soon change Mr. Varley's mind about reflation.

those who refuse a place

These themes were followed up in the subsequent questioning. Greville Janner portrayed the scheme as a year's postponement of unemployment. Alan Beith, Derek Foster, and Alex Lyon all called for an increase in educational maintenance allowances to match the youth training allowance. Mr. Tebbit pointed out that this would cost approximately £1 billion, and that there had always been a distinction between trainees and students. This prompted Alex Lyon to ask why the Government was willing to spend £1 billion on the Falkland Islands campaign, but not £1 billion on the unemployed. Mr. Tebbit retorted that £1 billion meant 1p on the standard rate of income tax.

In general, the mood was one of grudging welcome for the proposals, but so grudging that an exasperated Norman Tebbit at one point said "when I bring an olive branch to this House, I don't expect to be beaten around the head with it".

21 June 1982

PARLIAMENTARY STATEMENT

BY THE

SECRETARY OF STATE FOR EMPLOYMENT

THE RT HON NORMAN TEBBIT MP

ON

MONDAY 21 JUNE 1982

YOUTH TRAINING SCHEME

With permission, Mr Speaker, I should like to make a statement on youth training. Last December I told the House of the Government's plans to introduce from September 1983 a new Youth Training Scheme which would guarantee up to a full year's foundation training for all 16 year old school-leavers who find themselves without a job. This would remove from them the threat of unemployment during their first year on the labour market and help them to acquire the skills they need to obtain and keep jobs.

At the same time I announced increased expenditure for the training of young workers and said that, if the Manpower Services Commission could make other proposals to bring more young unemployed people into paid jobs with proper training, the Government would be willing to consider the transfer of resources proportionately from the new scheme to such proposals.

In response to this invitation the MSC published on 4 May a comprehensive scheme proposed by its Youth Task Group, on which representatives of the CBI and TUC sat. The scheme was unanimously recommended to me by the MSC, supported by the CBI and the TUC and has generally been endorsed by the Select Committee on Employment.

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The scheme is fully in line with the Government's ultimate objective for training young people. It meets the Government's requirements on the guarantee to all unemployed 16 year olds, on the September 1983 date of introduction, on the content and length of the training programme, on involvement of the local community in delivery and on the need to keep within the resources made available in last December's White Paper. // However, the MSC scheme extends beyond last December's proposals by covering also many young people in employment, including apprentices, and it proposes a higher level of training allowance.

In this wider scheme employers share in the training costs and the Government accept that in these circumstances the training allowance can be increased without more cost to the taxpayer or any loss of training standards. A training allowance of £1300 a year seems appropriate for the launch of the scheme in 1983, though this and the question of excessive travel costs will be reviewed in the summer of 1983 when the MSC will offer their advice to me.

The Government generally accept the revised scheme and delivery arrangements as set out in Parts IV and V of the Youth Task Group report, on the basis that its costs will be kept within resources already made available for 1983-84 and 1984-85. Although we believe the resources will be

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sufficient to cover all unemployed 17 year old school-leavers when the scheme begins, it is not yet possible to give a guarantee to this group nor to say when we might extend the scheme to cover all other unemployed 17 year olds. In deciding the resources required, we have assumed substantial assistance from the European Social Fund and this is essential.

We accept the need for large initial Government funding of the new scheme while youth unemployment is still high, but we intend before 1985 to review the future distribution of the training costs between employers and Government. The MSC intend to undertake, in co-operation with the Government, a study of funding of industrial training generally which should help us decide the level of public funding in the longer term.

We already undertake that all unemployed school leavers will be offered a place on the Youth Opportunities Programme. My predecessor as Secretary of State for Employment made clear that, when the Government was in the position to guarantee that no 16 year old need be unemployed, it would be time to withdraw supplementary benefit from 16 year olds in their own right. Last December we also stated our belief that it would be right for young people, whether in education, the new training scheme or unemployed, to be regarded in general as dependent on their parents for the first year after reaching the minimum school leaving age.

We still believe that these young people should not be entitled to supplementary benefit in their own right. Nonetheless, the Government have noted the firmly held and clearly expressed

views of those on whom the operation of the scheme depends that its launch could be seriously impaired by the withdrawal of supplementary benefit from 16 year olds. We have therefore decided that withdrawal of supplementary benefit will not take place in September 1983 and that there will be a further review after a year's operation of the scheme.

This will, I believe, also meet the views of the Select Committee and the Social Security Advisory Committee, who were similarly concerned. Meanwhile, in line with their views, we shall provide that those who unreasonably refuse a suitable training place will, like adults, have their benefit reduced for six weeks.

This scheme is an immense step forward towards setting standards and systems of training for our young people as good as those anywhere overseas. Its success now depends above all on the efforts made by employers and other sponsors, supported by unions, all of whom have fashioned its shape, to provide enough good quality training places. We shall certainly expect commercial and industrial establishments in the public sector to contribute and I hope that all in this House and outside will give this imaginative new scheme the wholehearted support needed to ensure its successful operation from September 1983.