

PRIME MINISTER

PA
(CF file)
MS

Mr. Prior's Statement on Special Employment Measures

Mr. Prior's statement passed off peacefully today. I attach a copy of the statement itself, which was amended overnight to tone down the reference at the end of paragraph 5 to the new scheme, and the Press Notice which the Department of Employment have issued. You may find the Press Notice helpful background for next Tuesday's Questions, given that you will be under pressure about the unemployment figures that morning.

Most of the Supplementaries to Mr. Prior today were about the details of his announcement. He came under pressure from both sides of the House about the scale of the new programme and, in particular, about the Job Release Scheme, the fact that the weekly allowance for the Youth Opportunities Programme is not to be increased and about the need for more effective training for unemployed teenagers.

Mr. Prior had no difficulty in dealing with all of this, and I will put into your Questions folder on Monday night a copy of the whole of the exchanges so that you can pick up some points for Questions on Tuesday. He said essentially that his colleagues had agreed to increase the funding for the programme as a whole at a time when public expenditure generally was having to be restrained, and that in these circumstances he had had to reach his own judgement about priorities within the programme. He said that the Job Release Scheme was costly and that it would be very expensive to reduce the qualifying age. In any case, he was not convinced that extending the Job Release Scheme would lead to more jobs for young people. He said that the temporary Short-time Working Compensation Scheme was valuable, and that he had extended the timescale for it; but it was also expensive and was already costing more than we had expected.

He emphasised positive aspects of the package such as the possibility which has now been opened up of a second bite in the

/Youth

Youth Opportunities Programme for those who cannot get employment after the end of their first YOP spell; the role of voluntary organisations in the new Community Enterprise Programme and the possibility of bringing private capital into it; and the bringing forward of the YOP guarantee for next year from Easter to Christmas.

The only moment of real friction arose when Mr. Prior said that the Government wanted more and more people aged 16-17 to leave school able to read and write. He was challenged by Christopher Price, among others, who said that he had cast a slur on Britain's teachers. He added that if the new measures turned out to be financed by reducing the education budget then that would be self-defeating. Mr. Prior responded that it was a fact that far too many 16 year olds were leaving school with standards that were far too low. He said that his visit to the Parliamentary and Scientific Committee this week had brought home to him the "abysmal levels of mathematics teaching" and that we were spending vast sums of money on education. It was the Government's duty to ensure that we got good value for all that money.

I have asked the Department of Employment to start putting together some notes for Questions next Tuesday. We will ensure that the special measures are adequately covered in these notes.

M/S

21 November 1980

STATEMENT BY THE RT HON JAMES PRIOR MP, SECRETARY OF STATE FOR
EMPLOYMENT ON SPECIAL EMPLOYMENT MEASURES - FRIDAY 21 NOVEMBER 1980

With permission Mr Speaker I wish to make a statement on the programme of special employment measures to operate in 1981 - 82.

2. The present high level of unemployment affects young people fresh from school more than most. We have a special duty to ensure that in these difficult times their prospects are not permanently damaged. The Prime Minister made clear yesterday the Government's deep concern on this score.
3. Accordingly, she announced that it is our intention to expand the Youth Opportunities Programme to provide 440,000 opportunities in 1981-82. This is 180,000 more than planned for the current year and more than double the number of opportunities that were available last year. There will also be 1,000 more places in the separate Community Industry Scheme.
4. The YOP has been very successful hitherto in meeting the undertakings to school-leavers and the longer-term unemployed. The overwhelming majority of young people involved have been offered places. Nevertheless they may have to wait as long as a year from the date they leave school before they get any chance to work - and this is a long period for young and active people. And sometimes the opportunity, when it comes, does too little to prepare them for proper work. I have therefore asked the MSC to make some important changes in the YOP scheme, designed to improve substantially the position of those in the vital two years between leaving school and their eighteenth birthday.
5. I am requesting the MSC to undertake next year to offer a suitable opportunity to all unemployed school-leavers by Christmas rather than the following Easter. I am also requesting the MSC to try next year to offer a suitable opportunity within three months to any 16 or 17 year old who has been registered as unemployed for

three months. Moreover I intend there to be more emphasis on giving the young person who has completed a course or scheme within the programme and who still has no job a chance to progress to another course or scheme. Since the programme is now focussed on 16 and 17 year olds, the allowance for next year will remain at £23.50 per week.

6. The emphasis in the programme will increasingly be placed on good quality training for work and two-thirds of the places will provide work experience on employers' premises. We are trying, as resources permit, to work towards the point where every 16 and 17 year old not in education or a job will be assured of vocational preparation lasting as necessary up to his or her 18th birthday.

7. This is an extremely ambitious programme. It is nothing less than a new deal for the young unemployed and its success depends on full cooperation from all those concerned, and particularly from employers whose assistance in sponsoring projects is vital. To help the Careers Service make its essential contribution to the expanded Programme, the Government will fund another 200 posts for this work.

8. We see this development of YOP in the wider context of improving preparation for and training in work of all young people, and not just the unemployed. The MSC and Education Departments will accordingly also accelerate the extension of vocational preparation schemes over the next 3 years for those who have jobs but who are given little or no systematic training or further education. What we are trying to build up in these ways is a system whereby 16 and 17 year olds will be better equipped for working life and this is being further considered within our review of industrial training.

9. I turn now to measures for the adult unemployed. It is unrealistic to suppose that special measures can do as much for them as for the young. For most of the unemployed the only solution is the creation of lasting and viable jobs, which will appear only as we establish a sound economy.

10. Nevertheless, insofar as it is possible to ease the transition by special measures, we have a duty to do so and the Government are convinced that more opportunities for useful activity could be provided if greater emphasis was placed on work of environmental improvement and if much greater encouragement were given for projects arranged by voluntary agencies. Although many worthwhile projects were conducted under the Special Temporary Employment Programme, we feel that a new impetus is now needed. I am therefore asking MSC to replace STEP with a new programme entitled Community Enterprise Programme, which will be subject to annual review, like YOP, but which it is our firm intention to continue for at least three years.

11. The CEP will aim to provide 25,000 filled places by March 1982, more than double the number under STEP at present. Priority will continue to be given to the long-term unemployed and for the first time 18 year olds will be admitted to the programme if they have been unemployed for more than six months. CEP will be nationwide but with priority given to projects in areas of high unemployment. It will therefore be available in areas of high unemployment not covered at present by STEP. Under the new programme, we shall encourage private sector sponsorship of projects involving community benefit and provide funds for partnerships involving the private sector, public and community bodies in the creation of new enterprises.

12. As I made clear some months ago, we also want to see more opportunities for voluntary activity for those who find themselves out of work and yet who wish to have a chance of some such activity. Under the Community Enterprise Programme, therefore, there will be many more opportunities for voluntary organisations to sponsor projects, and they will be able to recruit full time temporary employees to assist the unemployed in finding part time voluntary work in the local community. We are anxious that there should be no unnecessary obstacles in the way of the unemployed taking up voluntary work useful to them and the community. My rt hon Friend

the Secretary of State for Social Services will accordingly be putting proposals to the Social Security Advisory Committee for modifying the regulations to provide rather more scope for such work to be undertaken without loss of benefit.

13. We intend to continue the Job Release Scheme for another year on the present basis. We also propose to continue the Temporary Short Time Working Compensation Scheme for another year. There has been a considerable increase in assistance under this scheme so far this year, and many demands that the period of support should be lengthened. Accordingly, we intend that all applications received after today should be eligible to receive the support for a period of 9 rather than the existing 6 months and the level of assistance given will be 50 per cent of normal earnings rather than 75 per cent. All those currently using the scheme will continue to receive the 75 per cent rate until their six months end, when they will have the opportunity to apply for a 3 month extension at the 50% rate.

14. The total cost of all these measures in 1981-82 will be some £570m, an increase over existing provision of nearly £250m. This is a massive practical demonstration of our concern for the unemployed.

15. I have received a great deal of help from the Manpower Services Commission in framing these measures. I have also been greatly heartened in the course of this review by the widespread desire expressed by so many in the community to have the opportunity to help. I trust that these new programmes of YOP and CEP will receive the full cooperation of employers, unions, local authorities and voluntary bodies, on whom their implementation so largely depends; and that this House will also give its full support to all the measures I have announced today.