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Manpower



Caxton House Tothill Street London SW1H 9NF

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

Switchboard 01-213 3000

Michael Scholar Esq
Private Secretary
10 Downing Street
LONDON SW1

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Dear Michael MAJ

TRAINING AND SPECIAL EMPLOYMENT MEASURES

I attach a copy of the Statement which my Secretary of State is making to the House this afternoon, together with a copy of the White Paper "A New Training Initiative: A Programme for Action".

I am sending copies of this letter and attachments to other Private Secretaries to Members of the Cabinet, Mr Robin Ibbs and Sir Robert Armstrong.

Yours sincerely

John Anderson

J ANDERSON
Private Secretary

STATEMENT TO THE HOUSE ON TUESDAY 15 DECEMBER

TRAINING AND SPECIAL EMPLOYMENT MEASURES

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

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

The Temporary Short Time Working Compensation Scheme will also be extended by two years and will then close, with the last application being taken in March 1984. From July 1982 the maximum period of support will be six months.

Provision for the Community Enterprise Programme will be increased to 30,000 places in 1982-83.

The total provision for these three special employment measures in 1982/83 has now been increased this year by £140m to over £520m, with an additional £61m for the Young Workers' Scheme which starts on 4 January next.

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

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

First, there will be a new £1 billion a year programme for unemployed young people, which will guarantee a full year's foundation training for all those leaving school at the minimum age and finding themselves without jobs. Over the next eighteen months this entirely new Youth Training Scheme will progressively replace the Youth Opportunities Programme and will give these young people training in basic skills which employers will need in the future. We are determined to lose no time in reaching the position where every 16 year old school leaver is in work, or in further education, or has a genuine opportunity of a year's training. By taking the decisions now we are able to ask the Manpower Services Commission to ensure that this new Youth Training Scheme is in full operation by the autumn of 1983.

Meanwhile, the Youth Opportunities Programme will be expanded and developed to provide about 100,000 of the new style training places in 1982-83 and the allowance under it will be increased to £25 from next January

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Young people in the new Youth Training Scheme in their first year after leaving school at 16 will have "trainee" status. From 1983 they will cease to have eligibility of their own for supplementary benefit, except for the special groups, and so will be treated like those who remain in full-time education.

While on the Scheme they will, however, receive a training allowance from the Government. This will reflect the value of the training and relevant further education they receive and their learning role, and, although its precise level will be decided nearer the time, it is likely to be something over £750 a year. For older trainees who remain eligible for supplementary benefit, the allowance will be higher, probably around £1,250 a year. These allowances will not apply before 1983 when the Scheme comes into full operation and I am asking the Manpower Services Commission, in working out the detailed implementation of the Scheme, to advise on the level of allowances which is appropriate within the resources available for the Scheme as set out in the White Paper.

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

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

For those in jobs, we are increasing the financial encouragement to employers to provide foundation training and release for education so as to cover some 50,000 trainees in 1984/85. We are also continuing into 1982/83 our support for some 35,000 apprenticeships.

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

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

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

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

In pursuit of all these commitments we have during this year increased the provision for training expenditure in 1982/83 by £399m to a total of over £1.1 billion, in 1983/84 by an extra £517m to a total of nearly £1.3 billion and in 1984/85 by an extra £648m to a total of nearly £1.5 billion, including over £1 billion on the new Youth Training Scheme.

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

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



DEPARTMENT OF EMPLOYMENT

A NEW TRAINING INITIATIVE: A PROGRAMME FOR ACTION

*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
December 1981*

LONDON
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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 December 1981.

A NEW TRAINING INITIATIVE: A PROGRAMME FOR ACTION

A New Training Initiative

1. Last May the Government endorsed the Manpower Services Commission's consultative document "A New Training Initiative". This set out three major national objectives for the future of industrial training:

- (i) to develop skill training including apprenticeship in such a way as to enable young people entering at different ages and with different educational attainments to acquire agreed standards of skill appropriate to the jobs available and to provide them with a basis for progress through further learning;
- (ii) to move towards a position where all young people under the age of 18 have the opportunity either of continuing in full-time education or of entering a period of planned work experience combined with work-related training and education;
- (iii) to open widespread opportunities for adults, whether employed or returning to work, to acquire, increase or update their skills and knowledge during the course of their working lives.

2. The Commission has now published its report on the response. This shows that there has been overwhelming support for these three objectives from employers, unions, educational and training bodies—all who have a part to play—and general agreement on the need for urgent action. The time has now come for the Government to give a lead. We therefore set out in this White Paper our decisions on immediate action and proposals for the longer term. These draw substantially upon the recommendations made by the Commission in its report and the Commission will play a central role in their implementation.

Programme for Action

3. The Government's 10-point programme for action comprises:

- (i) *a new £1 billion a year Youth Training Scheme, guaranteeing from September 1983 a full year's foundation training for all those leaving school at the minimum age without jobs;*
- (ii) *increased incentives for employers to provide better training for young people in jobs;*
- (iii) *development of an "Open Tech" programme to make technical training more accessible to those who have the necessary ability;*
- (iv) *a working group to report by April 1982 on ways of developing the Youth Training Scheme to cover employed as well as unemployed young people, within available resources;*
- (v) *setting a target date of 1985 for recognised standards for all the main craft, technician and professional skills to replace time-serving and age-restricted apprenticeships;*

- (vi) *better preparation for working life in initial full-time education;*
- (vii) *more opportunities for vocationally relevant courses for those staying on in full-time education;*
- (viii) *closer co-ordination of training and vocational education provision nationally and at local level;*
- (ix) *a £16 million fund for development schemes in particular localities or sectors;*
- (x) *examination of longer-term possibilities for more effective, rational and equitable sharing of the costs of training between trainees themselves, employers of trained people and the general taxpayer.*

4. This programme is developed in greater detail under the following main headings:

- The need for action.
- The transition from full-time education to work
- A new Youth Training Scheme
- Training for craft, technician and professional skills
- Institutions
- Funding

The Need for Action

5. People as producers create wealth by providing goods and services that people as consumers want to buy. They create machines and equipment as tools of wealth creation. People are our pre-eminent resource and that is why they have to be given the best backing that the nation can afford. New technology offers us the chance to become more productive and to create new and better jobs selling goods and services to the rest of the world. But we need a better educated, better trained and more adaptable workforce if we are to take that opportunity.

6. Our major competitors lay much greater emphasis on training young people than we do. In France and Germany 80 per cent or more of young people reaching minimum school leaving age receive further education or training of some kind. In Britain in 1979 on the most favourable interpretation the figure was less than two-thirds.

7. In Britain the training provided is mainly apprenticeship in traditional craft and technician skills, for many of which there is declining demand. Opportunities for day release to Colleges of Further Education are limited and sometimes lack co-ordination between the college and where young people work. Full-time college courses often seem financially unattractive to many young people compared with the immediate rewards of an unskilled job.

8. Training for adults is also inadequate. We have until now assumed that the training given in a person's first job is all he will need for the rest of his working life. Entry to some craft and other occupations is so restricted that there is little point in providing training for adults or for adults to seek it.

9. Who has the responsibility to train? At the moment the position is muddled. Individual employers, local education authorities, joint negotiating bodies,

Industrial training bodies, the Manpower Services Commission and Government Departments are all involved. The cost of training is basically a matter for the individual employer, but a wide variety of grants, subsidies and courses is provided at the taxpayers' expense or from Industrial Training Board levies on particular industries.

10. We must have clearer goals, better means of delivery, a fairer allocation of financial responsibilities and, above all, a will to work together and to get on with it.

The Transition from Full-time Education to Work

11. To get a better trained and more flexible workforce we need to start with better preparation for working life in schools and better opportunities for continuing education and personal development in the early years at work.

The years of compulsory education

12. The last two years of compulsory education are particularly important in forming an approach to the world of work. Every pupil needs to be helped to reach his or her full potential, not only for personal development but to prepare for the whole range of demands which employment will make. The Government is seeking to ensure that the school curriculum develops the personal skills and qualities as well as the knowledge needed for working life, and that links between schools and employers help pupils and teachers to gain a closer understanding of the industrial, commercial and economic base of our society.

Staying in full-time education

13. Nearly one-third of young people between 16 and 19 are still at school or in other full-time education. The Government has made available for 1982-83 additional public expenditure resources totalling £60 million to enable more to do so. Larger sums have been included in our plans for later years, and their adequacy will be kept under review in relation to the number of young people choosing this option.

14. Good academic results are prized by many who recruit direct from school. They can earn entry to technical and professional courses with appropriate exemptions. They also constitute the principal route to degrees and full professional qualifications.

15. But increasing numbers of students are taking full-time vocational courses, combining the theory and practice of particular occupational skills with general education in subjects which have hitherto been studied mainly part-time.

16. There is also a need for vocationally-orientated courses of a more general kind. The Government intend to secure development of a new pre-vocational examination for young people aged 17-plus in schools and colleges in England and Wales. This will be designed particularly for those with modest examination achievements at 16-plus who are not looking towards higher education and are not yet ready for specific vocational education or training, perhaps because they have not yet formed a clear idea of the sort of work they might do. In Scotland there are proposals designed to meet the same need for a one-year course leading to the award of a "Scottish Certificate in Vocational Studies".

The first year in employment

17. However well schools and colleges prepare young people for working life we must improve their training when they start work. Young people need to be equipped not merely to do the immediate task required by the job, but with a basic competence and flexibility which they can build on as they change jobs.

18. The best way of providing this training is through arrangements made by employers for their own young employees. *Yet in 1979 nearly 40 per cent of the 700,000 school-leavers who found jobs received no training at all. About another 20 per cent were receiving training for only eight weeks or less.* Our efforts must therefore be directed not only to creating jobs for young people but also to ensuring that they are properly trained for them.

19. We announced last July the introduction from 4 January of the Young Workers' Scheme, which provides grants to employers who take on young people under 18 in the first year of employment earning less than £45 a week. That scheme is intended to encourage employers to take on more young people at wage levels they can afford, and could enable them to provide the training required.

20. To encourage proper training we are now expanding the scheme of grants to employers who co-operate in providing integrated training, further education and work experience (the Unified Vocational Preparation scheme) so as to cater for some 50,000 young people by 1984-85. We also intend to extend to the 1982-83 training year the higher level of support for skill training—some 35,000 places—announced last July for the current year.

21. The Manpower Services Commission has now proposed to establish a high level working group, including representatives of industry and education, to report urgently on the possibilities of a wider and more general scheme of foundation training for all young people, whether employed or unemployed. Priority must be given to the young unemployed. Nonetheless, we welcome this proposal and shall be fully prepared to consider re-allocating resources available for young people in any way which may contribute more effectively to their futures.

22. Meanwhile, we must continue to plan on the basis that over the next few years many young people may have difficulty in finding jobs on leaving school. So special provision will continue to be needed for them in order to achieve our major aim of reaching the position where all young people, on leaving school, either move on to further education, find a job or are given the chance of training or community service.

A New Youth Training Scheme

23. The young unemployed will remain a priority group in terms of new training arrangements. The Youth Opportunities Programme was introduced in 1978 especially to help the minority of young people who were unemployed and quite unprepared or ill equipped for working life by means of a relatively short period of work experience or work preparation. Since then it has become clear that we need a full-scale training programme that provides for an increasing number and range of unemployed young people, and the Youth Opportunities Programme has begun to develop in this direction. The Government now

proposes that a new and better Youth Training Scheme should be introduced by the Commission to cover all unemployed minimum age school-leavers by September 1983.

Training content

24. The new scheme will build on the experience gained from the Youth Opportunities Programme and the Unified Vocational Preparation programme. It will aim to equip unemployed young people to adapt successfully to the demands of employment; to have a fuller appreciation of the world of industry, business and technology in which they will be working; and to develop basic and recognised skills which employers will require in the future.

25. These aims require an effective integration of skills, knowledge and experience through planned and supervised work experience and properly designed opportunities for off-the-job training or further education. Young people have different abilities and learning aptitudes and local labour market needs also differ. Both will have to be taken into account in designing and operating the scheme, but for young people with no experience of work a training programme of up to a year will generally be needed.

26. There will be five main elements:

Induction and assessment. Individuals will receive a proper induction to the programme and to each element of it. Their skills and attainments will be assessed. This may include opportunities to sample different skills or jobs in order to establish aptitudes.

Basic skills. The programme will aim to ensure that basic skills like numeracy and literacy have been acquired; to develop some practical competence in the use of tools and machinery and in some basic office operations; and to foster skills in communication (in interview for example).

Occupationally relevant education and training, both on and off the job. This will provide opportunity for personal development and use of the basic skills in a variety of working contexts, adapted to the needs of the local labour market. It will be integrated with planned work experience, with young people being given a minimum of three months off-the-job training or relevant further education. Arrangements will be flexible, so that the training can be given in the form of day or block release and can take place in a company training school or at a college.

Guidance and counselling. Young people will receive advice and support throughout the programme under arrangements agreed with their sponsors.

Record and review of progress. Each young person's progress will be recorded, reviewed and assessed as he or she goes through the programme. A document of progress will be given to the young person on leaving the programme and will record standards achieved in a way which is recognisable both to the young person and to potential employers.

27. A scheme of this quality and scale will require the whole-hearted co-operation of many sections of the community—employers, trade unions, local authorities, local education authorities, voluntary bodies and not least the trainees themselves. Its success will depend on engaging the assistance of all

these interests at the local as well as the national level. The Government is therefore asking the Commission to organise the delivery of the scheme in such a way as to provide for full local involvement.

28. Large numbers of sponsors will be needed for the different elements within the scheme, which must be carried out within industry and commerce if it is to be fully effective. So the full co-operation of *employers* is vital. Provision will be made within the scheme towards assisting sponsors with their overhead costs and they will be able to contribute to the local input to the design of the training programme.

29. *Colleges of further education* and their maintaining Local Education Authorities will have an important role in the new programme. It will mean for them a major expansion in provision for this age group, the equivalent of perhaps 80,000 full-time places funded by the Commission. They will also be asked increasingly to relate what is taught to what the young trainees will be doing at the work place and to arrange courses flexibly through the year.

30. *The Careers Service* in recent years has had to switch resources from its more traditional roles to help a large number of unemployed young people. It has been very substantially aided in this work by direct Government funding of nearly 1,100 additional posts for this purpose. It will now have to meet a new challenge, especially in counselling the trainees who are on the new scheme for a year, and in working with people employed on the scheme, whether in colleges or in schemes, and see that all young people receive necessary advice and support.

Coverage

31. Under the new scheme, the Government intends to guarantee an early offer of training to all minimum age school leavers who are unemployed during their first year after leaving school. Unemployed school-leavers will be offered a full year's training course; those who become unemployed after some experience of work will be offered shorter courses which may average six months.

32. Other young people under 18 who leave school or further education after the minimum age and cannot find a job and others under 18 who have had a job but become unemployed within 12 months of leaving school will be eligible for places. The resources made available for the scheme are intended to be sufficient to provide enough places for these two categories on the same basis as for minimum age leavers, ie unemployed school-leavers will be offered a full year's training, and other young people who have had some experience of work will be offered shorter courses. There will not, however, be an absolute guarantee of such places. While resources are limited it seems right to accord priority to minimum age school leavers who find themselves unemployed during their first year after leaving school.

33. Community Industry at present provides disadvantaged 16 to 18 year olds with temporary employment lasting up to a year. The Government recently welcomed a report which examined the role and objectives of this programme and concluded that it should in future concentrate more on 18 year olds. Community Industry will need to consider carefully where its contribution can best be made in a way that is consistent with the new arrangements. One way

forward would be for it, while continuing as a temporary employment programme offering additional help to disadvantaged young people, to provide exclusively for young people—mainly for those aged 17 and 18—who are outside the target group of the new scheme.

Training allowances and benefit arrangements

34. *The new scheme is first and last a training scheme.* This is reflected in its structure, its delivery and the terms and conditions for the young trainees. The young people catered for by the scheme will benefit from having a wider range of skills and experience. As trainees, it seems right that they should receive allowances that reflect their learning role. That is how they will make their contribution to the cost of a foundation training which improves their prospects of employment.

35. The level of the training allowance will reflect not only the benefit of training, but also a change in the provision of supplementary benefit to young people. The provision of guaranteed training places on the new scheme for those who leave school at the minimum age and cannot find jobs brings them into a situation akin to those who go on at that age to further education. For the latter it is accepted that they should continue to be dependent on their parents and that they should not have access to supplementary benefit in their own right. The same will apply to unemployed minimum age school-leavers when they are guaranteed a place on this new scheme. Legislation will be introduced accordingly. They will then, in general, cease to be eligible for supplementary benefit in their own right until 1 September in the year after that in which they leave school. For example, those who leave school at the minimum age in the summer of 1983 will not become eligible for benefit in their own right until 1 September 1984. Scottish leavers at Christmas 1983 will become eligible on 1 September 1984.

36. So, from the date when the new scheme is fully introduced in 1983, parents will be expected to provide any necessary financial support to these trainees and child benefit will continue to be paid to parents so long as the young person is neither in work nor on the scheme. In addition, parents' entitlement to benefit will take account of their responsibility for these young people.

37. The benefit needs of special groups among young people will continue to be met. The intention will be to follow broadly the categories at present allowed to claim supplementary benefit while still at school, and the new arrangements will not affect existing provision such as mobility allowances and non-contributory invalidity pension. All handicapped young people who are within the coverage of the new scheme and who are able to benefit from participation in it will be encouraged and enabled to take part.

38. These new arrangements will provide for payment of a training allowance from the Government. For those unemployed in their first year after leaving school at the minimum age this allowance will be set at a level intended mainly to cover travel and other expenses. Its precise level will be decided nearer the time in 1983 when the scheme comes into full operation, but the level of this Government allowance is likely to be around £750 a year. Those young people who join (or are on) the scheme after 1 September in the year following

their minimum school leaving age will be paid a higher training allowance by the Government since, when unemployed, they will still be eligible for supplementary benefit. Their allowance is likely to be around £1,250 a year. Those who unreasonably refuse a suitable training place would, like adults who unreasonably refuse training offers, have their benefit reduced for 6 weeks. The allowances for both groups will not apply before 1983 when the new scheme becomes fully operational and the Government is asking the Manpower Services Commission, in working out the detailed implementation of the scheme, to advise on the level of allowance which is appropriate and can be afforded within the resources available, which are set out in paragraph 40 of this Paper.

Progress towards the scheme

39. The present Youth Opportunities Programme is already evolving in the direction now planned and will continue to do so in 1982-83. The Government is asking the Manpower Services Commission to develop the programme so as to provide around 100,000 of the new 12-month training places in that year and to be in a position to provide such places for all school leaver entrants in 1983. The new scheme will then replace the Youth Opportunities Programme. Meanwhile, the Government will continue the Youth Opportunities Programme allowance on its present basis, raising it to £25 a week from January 1982 to maintain a differential above supplementary benefit.

Future Development

40. To provide places for some 300,000 young people throughout the year, which may be necessary in 1983-84 and 1984-85, is expected to cost around £1 billion in a full year. This compares with an estimated cost for the Youth Opportunities Programme in the current financial year of £400 million. The average cost per trainee week, exclusive of allowances, will be around twice that of the present programme, reflecting the improved training content. This immense increase in the resources deployed towards training unemployed young people is some measure of the importance that the Government attaches to replacing the existing programmes by a comprehensive and well-founded training scheme.

41. Our ultimate objective must of course be to provide proper training on a comprehensive basis, not only for the unemployed but for all young people in employment too; and to do so in a way which gets many more of the young unemployed into jobs with proper training. The study to be undertaken by the Manpower Services Commission working group (referred to in paragraph 21 above) will be particularly helpful in identifying any fresh ways in which to move towards this objective. It is imperative that the scheme outlined above for unemployed young people should go ahead quickly in order to give them a far better start to working life. But the Government is very willing to consider and develop schemes to help more unemployed young people into jobs with proper training and would be prepared to transfer resources proportionately from the new scheme to such other schemes if they can be developed.

Training for Craft, Technician and Professional Skills

42. Better vocational preparation in school and in the first year of working life will lay the foundation for a more flexible workforce. But urgent reform is

also needed of the arrangements for training in craft, technician and professional skills, both for young people and for adults. We must also remove obstacles to the full and efficient use of the skills acquired.

43. No one can predict the precise composition of the skilled labour force which will be needed over the coming years. What is clear is that we will require a higher proportion of people able to handle jobs at technician level and above and that there will be fewer opportunities at semi-skilled level and below. Technological and market changes will impose major demands on firms and individuals, and not least on managers in industry and commerce.

44. Uncertainty puts a premium on flexibility and mobility within the workforce. A key to this is a training system embodying a wide range of recognised standards of achievement. Access to skilled work, or training to higher levels, should depend not on the form and structure of previous training but on proven ability.

Standards

45. We already have a number of institutions with considerable experience in defining and testing standards of individual competence in theoretical or practical skills. These include the City and Guilds of London Institute, the Royal Society of Arts, the Councils of Technician Education and Business Education and their Scottish counterparts, the professional institutions (soon to be joined by the new Engineering Council), some employer organisations and research associations, voluntary training bodies and Industrial Training Boards.

46. Standards of competence have, however, been seen as optional rather than basic equipment. We therefore endorse the commitment by the Manpower Services Commission to 1985 as the date by which relevant standards of competence, with associated courses and certificates, should be available for all significant skilled occupations. We know that many of those engaged in collective bargaining, nationally and locally, want to replace agreements based on time-serving and age restrictions with arrangements based on such standards. We urge them to do so as soon as possible, and by 1985 at the latest.

47. The Government will make financial support for skill training in industry at the enhanced levels referred to in paragraph 20 above increasingly conditional upon steps towards implementation of these necessary reforms.

Adults

48. The skill shortages which have held back our economic progress in the past could reappear when the economy recovers. They cannot be met solely by training the new intake of young people, but will require considerable readaptation of the existing labour force. Skill needs will continue to change and require updating. Wider opportunities for training and retraining of people in their 20s, 30s and later in life are bound to be required in the future.

49. This is primarily a matter for industry. It will, however, in some cases require quite new arrangements and facilities. The Government therefore intends that the resources of the Training Opportunities Programme, currently running at some £250 million a year, should increasingly be directed to encouraging the necessary provision in industry.

Open Tech

50. There are gaps in the availability of training facilities to firms and to individuals seeking to progress to higher levels of skill and responsibility, particularly at technician and supervisory levels. These could be filled by making existing facilities and new courses more accessible through the use of "open learning" and "distance learning" methods, and exploiting the potential of new information technology. The Government is therefore providing resources for an "Open Tech" programme. This will be supervised by a Manpower Services Commission Steering Group representing industry, education and training interests. It will work with and through many channels (including industrial ones), facilitating the actions of others rather than establishing a new educational or teaching institution. Participants in the programme will typically use a range of printed and audio-visual learning materials, and will work independently, either in college or at home, but with access to tutorial and practical help and facilities. The first project will start in 1982.

Institutions

51. The Manpower Services Commission, which includes representatives of employers, unions and local authorities, is (and will remain) the main agency through which the Government initiates action and monitors progress over the whole field of industrial training. The concerns of training and education policy are, increasingly, closely linked. The Government will ensure that the education Departments and other education interests are fully involved in the development of training programmes and that there is effective consultation when new training and educational initiatives are devised. There will be appropriate arrangements for Scotland and Wales.

52. The Government will rely to the fullest possible extent on the voluntary arrangements already existing or being developed in particular industries, and on the statutory Industrial Training Boards which are being retained. In all sectors the Government looks to those concerned to play their part in pressing forward the plans set out in this White Paper in the fullest co-operation with the Commission. This will mean devising syllabuses and standards of training at all levels to meet the specific needs of their sectors, providing advisory services to individual firms, encouraging the formation of group training schemes where appropriate and providing centralised training facilities where necessary. Industry bodies will also have an important role in encouraging the modernisation and revision through the appropriate negotiating machinery of out-dated agreements and practices which at present impede progress.

53. Success or failure ultimately depends on what happens locally. Many have called for local arrangements to bring industry more closely in touch with the education and training services to identify and meet local training needs. There have been several interesting local initiatives of this kind, as well as the establishment by the Manpower Services Commission of representative Area Boards to oversee local implementation of its special programmes including the Youth Opportunities Programme. The Government is therefore asking the Commission to encourage the development of suitable local arrangements and to play its full part in them. A first priority will be to ensure that there is effective machinery involving local industry and education interests in the delivery of the new Youth Training Scheme for unemployed young people.

54. There have already been interesting proposals for joint initiatives for new types of training scheme coming forward from employers, unions and others in particular localities or sectors. The Government will be making available to the Commission additional funds of £6 million in 1982-83 and £10 million in 1983-84 for the assistance of such developments.

Funding

55. On a broad estimate the United Kingdom has in recent years invested some 2.5 per cent of GDP in vocational education and training. Roughly half was direct expenditure by firms, the biggest single item being trainees' wages. Most of the rest was expenditure by local education authorities, channelled through the Exchequer or the local rating system, the main items being teachers' and instructors' salaries, buildings and equipment. Manpower Services Commission programmes are a smaller but increasing element.

56. In the current recession individual firms have cut back on their contribution. In particular the number of apprentices and other long-term trainees taken on by firms fell from around 100,000 a year in the late 1970s to 90,000 in 1980-81 with another sharp fall expected in the current year, despite larger numbers in the relevant age groups.

57. In these circumstances the Government has stepped up the contribution channelled through public funds. Substantial additional sums have already been allocated to increase the numbers continuing in full-time education and to support apprentice training, vocational preparation schemes and, especially, the Youth Opportunities Programme. When the proposals in this White Paper are fully implemented in 1984-85 public expenditure on Manpower Services Commission training programmes alone will be close on £1.5 billion. This will include more than £1 billion for the new Youth Training Scheme, some £280 million for the Training Opportunities Scheme and £100 million for apprentices and vocational preparation for those in jobs. In addition, some £4 billion will be spent on post-16 year olds through the education system, including about £1 billion on non-advanced further education, a considerable proportion of which will be of a vocational nature.

58. For the immediate future the Government sees an increase of public expenditure on this scale as the only way of plugging the gap in the training provision required if we are to be ready to meet the skill needs of the economy as trading conditions improve and to offer adequate opportunities to the current generation of young people. It is applying these extra resources to help secure longer term reforms in the quality of training and bring about a change in the attitudes of young people to the value of training and acceptance of relatively lower wages for trainees.

59. Nevertheless, this does nothing to alter fundamentally the present somewhat haphazard and often illogical apportioning of costs between the public and private sectors, and between individual undertakings. In occupations as diverse as medicine and hairdressing virtually the whole cost is borne by the tax and rate payer (with some contribution by the trainee). In others, particularly the heavier manual skills, virtually the whole cost is borne by the individual

firm. Yet the individual firm has absolutely no guarantee of a return on this investment since the trainee is under no legal obligation to stay once his training is complete. Attempts to even out costs between employers in particular industries through the Industrial Training Board's levy/grant system foundered under the weight of bureaucracy involved and its inability to deal with the problem in respect of cross-sector skills where much of the difficulty lies.

60. In the longer term the responsibility for training must lie mainly with employers, as it does in most other major industrial countries. It is only in this way that we can ensure that training meets industry's real needs. A remissible tax on the lines of the French system has been suggested as one possibility for influencing positively employers' calculations about the relative costs and returns of investing in training. Another would be a system of training grants to firms financed out of general taxation. Either would involve some measure of bureaucratic intervention. Yet a large-scale expansion of public provision for training, parallel to the public education system, seems even more objectionable. There are many issues here, which will need to be examined. The Manpower Services Commission has proposed to establish, in co-operation with the Government, a general study of the funding of industrial training as a whole. The Government will give further consideration to the matter in the light of that study.

Conclusion

61. For many years now our system of training has failed to produce the numbers of skilled people required by a modern competitive economy. This paper sets out a framework within which employers, employees, unions, educationists and Government can more clearly see what they need to do for the system to work. Not all the questions are resolved and the Government and the Manpower Services Commission are setting further work in hand. But lines of needed advance are clear and the Government invites everyone concerned to play their part.

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