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*CB AAT*

Andrew Turnbull Esq  
Private Secretary  
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11 January 1985

*Dear Andrew,*

...

As you requested I now attach a draft reply which relates to the Prime Minister's meeting with the Archbishop and Bishop of Liverpool and your note of 16 November. Please let me know if you require anything further.

*Yours sincerely,  
Judith Rutherford*

JUDITH RUTHERFORD  
Private Secretary

LPOAAT

DRAFT FOR NO 10

When I met you and the Archbishop of Liverpool on 15 November you raised a number of questions regarding the Youth Training Scheme in Merseyside which I promised to look into. *In particular you used greater provision of Mode B places.*

As you know, the Youth Training Scheme aims to provide all eligible youngsters with the type of course best suited to their needs. In the majority of cases this will mean a place *a Mode A,* on an employer based, scheme which offers both experience of a realistic working environment and the best chance of employment after completion of the programme. This does not of course mean that there is no role for Mode B schemes. There will continue to be a need to cater for a number of youngsters through the provision of *Mode B1 places in* training workshops, community projects and *of* linked Mode B2 schemes, particularly in areas such as Merseyside. However, it is important to ensure that the provision of this type of training, which is far more expensive to provide than that offered on employer-*led* *led* schemes, is closely matched to the local demand from youngsters.

I understand that during the first year of the Youth Training Scheme, from April 1983 to March 1984, 6112 Mode B1 places and 2327 Mode B2 places were approved in Merseyside but *peak* occupancy never exceeded 3750 on Mode B1 or 1500 on Mode B2. This level of unfilled provision represented a very considerable financial burden on the taxpayer. It costs

around £2,000 per year to support an unfilled Mode B1 place and you can see that a very large sum of money was therefore being spent training nobody.

In 1984/85 the Manpower Services Commission are offering some 4800 Mode B1 and 1100 Mode B2 places in Merseyside and they are confident that this level of provision will adequately meet the demand from eligible youngsters without leading to the excessive number of empty places that resulted last year. At the end of October occupancy on Mode B schemes in Merseyside was around 85% although this figure will include a number of 83/84 entrants to the Scheme who will shortly be finishing their training programmes.

During our discussion you expressed a concern that allocating Youth Training Scheme resources on the basis of "output measurements", such as a scheme's success in finding jobs for youngsters on completion of their training programme, could result in Liverpool losing out to more prosperous parts of the country. Obviously the success of a particular scheme in helping youngsters into jobs or further training cannot be ignored when considering where resources should be allocated. However, this is by no means the only factor that is taken into account. In Liverpool, as in other areas, the main concern has been to ensure that sufficient good quality provision is available to cater for the training needs of eligible young people in the area. This year <sup>a total of</sup> nearly 15,000 places <sup>are</sup> being made available in Liverpool and I think you will agree this is a significant figure.

A considerable amount of time has been spent deciding on the level of provision in Merseyside for 1984/85 and as you know earlier this year Peter Morrison, the Minister of State for Employment, personally reviewed not only the general situation in the area but also the planned provision for each Mode B1 scheme with the Manpower Services Commission's Regional Director for the North West and officials from the two Merseyside Area Offices. I know that Ministers at the Department of Employment have also had meetings with you to discuss the Youth Training Scheme in Liverpool and careful account was taken of all the points you made.

*Therefore, I do not think a*  
At ~~the~~ present ~~moment~~, ~~I can see no realistic justification~~  
*can be justified*  
~~for any increase in Mode B provision.~~ I do of course appreciate your concern that youngsters in Liverpool should not be denied the opportunity of taking part in the Scheme but I can assure you that the current level of provision is adequate to meet the needs of eligible youngsters. In this respect the Commission are confident that they will have effectively met the undertaking that has been given of an offer of a place on the Scheme before Christmas to every eligible minimum age school leaver who wants one.

REGLONAL POC  
Liverpool pt-5