

MJ2 AIG



10 DOWNING STREET

From the Private Secretary

28 January 1985

Training Places on Merseyside

Having looked again at my notes I found that the Bishop of Liverpool did mention the adequacy of Mode B places on Merseyside. However, I must have missed his reference to adult training and, in consequence, did not ask you to cover this in the draft reply you prepared. Could you let me have a further draft letter covering the points the Bishop has raised in his latest letter, to reach me by close of play on Tuesday 5 February.

Andrew Turnbull

Miss Judith Rutherford
Department of Employment

Original in poor condition

✓

MJ2AB5



10 DOWNING STREET

28 January 1985

From the Private Secretary

Thank you for your letter to the Prime Minister of 21 January. I have looked again at my notes of the meeting and discovered that while there was some mention in the discussion of the adequacy of Mode B places, I must have missed your reference to adult training places. As a result the Prime Minister's reply to you failed to cover this point. The Prime Minister will reply to your letter when she has received advice on the points you have raised.

Andrew Turnbull

The Right Reverend David Sheppard.

The Rt. Hon. Mrs. Margaret Thatcher,
10 Downing Street,
LONDON SW1.

21st January 1985.

CF DJS
25/1

Dear Prime Minister,

I very much appreciate the careful letter which you sent me following our meeting on the 15th November. I am somewhat embarrassed by it, as it is entirely about the Youth Training Scheme, which I did not mention in our discussion! I really don't expect you in your position to enter into the details of the different parts of the Manpower Services Commission operation, but I feel that you would prefer me to come back to you, rather than stay silent.

The point that I was trying to make was about the adult training strategy and the undoubted withdrawal of MSC resources from Merseyside in particular and the North West in general to areas where employment is stronger. The emphasis of the adult training strategy has been a deliberate shift from those in the greatest need to those who are either in employment already or who are most likely to obtain employment. I can see the value of "output measurement" being applied to many Government measures. I question very deeply its appropriateness, when applied to training measures for unemployed people. Whether they will obtain employment or not depends primarily on where they live.

The point was highlighted when I recently visited Sight and Sound at 50 Upper Parliament Street, Liverpool 8. That Sight and Sound branch was set up at the request of Michael Heseltine's Task Force and the MSC, and deliberately located where the Liverpool 8 black community would most likely make use of it. John Pardoe came up to show me round, and we had a long talk. He said that the present emphasis on TOPS would encourage him to do all his work in Bristol and London, where he can place 80% into jobs, rather than in Upper Parliament Street, where he places 20% in jobs.

Employers sometimes use the argument against investing in Merseyside, that there are not enough skills available. If the capacity to train is taken away from Merseyside, that really is finally pulling the rug from beneath us.

Just recently I discussed with the Merseyside MSC Managers what the effect of current policies in the adult training strategy is. I asked the relevant officers whether we would be continuing to support TOPS in Sight and Sound, Upper Parliament Street, if it was located somewhere else in Merseyside, where the needs were as great. Their answer was, "in all probability we would have to close it down".

They tell me that for five years the resources for such training have been whittled away. I understand that the resources given to adult training through the MSC nationally are 260 million pounds in the current year and will stand still at 260 million pounds in the next year. (By comparison with 1,000 million pounds for YTS). They say that about 5% of their money this year has moved away down South.

There are other examples of our anxieties about training resources being reduced. To take one example, it is proposed in the current review of Skill Centres to close the Liverpool Skill Centre. I made enquiries about whether the Task Force was consulted about this, and discovered that the answer was no. I have not made that information available to anybody else. I am concerned at the way in which the Department of Employment seems to act without consultation with other Government Departments, such as the Department of Environment.

You kindly said that you would talk to David Young about the matters we discussed. I have written to him recently, asking if he and I could meet again and discuss some of these matters.

Yours sincerely

+ Wain Liverpool.

Regional Pol: Liverpool: Pt 5.

Faint, illegible text in the top left quadrant of the page.

Faint, illegible text in the top right quadrant of the page.

Faint, illegible text in the middle left quadrant of the page.

Faint, illegible text in the middle right quadrant of the page.

Plus
Faint, illegible text in the bottom left quadrant of the page.

Plus
Faint, illegible text in the bottom right quadrant of the page.



10 DOWNING STREET

PRIME MINISTER

"My Lord Bishop"

12 1 85

Mode A - Employer led

Mode B - Public sector led of
which

Mode B1 is in training workshops
and community projects

Mode B2 is a miscellany of other
schemes including
colleges.



10 DOWNING STREET

THE PRIME MINISTER

15 January 1985

*File LPO
cc D/ Gmpv*

My Lord Bishop,

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 urged 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 on a Mode A, 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 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, 6,112 Mode B1 places and 2,327 Mode B2 places were approved in Merseyside

/but occupancy

[Handwritten signature]

but occupancy never exceeded 3,750 on Mode B1 or 1,500 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 4,800 Mode B1 and 1,100 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 per cent 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 a total of nearly 15,000 places is being made available in Liverpool and I think you will agree this is a significant figure.

/A considerable

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.

At present, therefore, I do not think an increase in Mode B provision can be justified. 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.

Yours sincerely

Raymond Shalton

The Right Reverend David Sheppard.

BACKGROUND

1. Yesterday, Liverpool City Council made statements about their budget which effectively began a process similar to last year's of opposition to the Government's financial constraints placed upon them. In particular they have:
 - a. Reiterated their commitment to defending jobs and services, and their refusal to set the rate necessary to meet their proposed spending.
 - b. Demanded the return of what they call "stolen" money - in RSG, education, and housing.
 - c. Accused Patrick Jenkin of going back on an alleged "promise", during last summer's negotiations, of a capital allocation for next year of £130m.
 - d. Demanded a meeting with Patrick Jenkin.
2. Options considered in a report by the City Treasurer include reversing decisions taken this year (to capitalise expenditure and to use reserves) which kept down spending in 1983/84 and 1984/85 and spending well above the Council's provisional target for 1985/86. The effects would be to build up a huge deficit in the current year, to reduce substantially grant entitlement for this year and next, and to require a rate increase of over 200% in 1985/86. As last year, the City Council are showing no inclination to cut or improve efficiency and are making 'worst case' assumptions throughout.
3. At 'A' is Question and Answer Brief, at 'B' a copy of the statement issued yesterday by the Minister for Local Government.

QUESTION AND ANSWER BRIEF

Q.1. Will the Secretary of State for the Environment meet the City Council?

A.1. The City Council must put their own financial house in order. They know what they have to do. There is no case for a meeting, especially given the peremptory terms of the demand.

Q.2. Will the Government return the money 'stolen' from Liverpool/ provide extra funds for the City?

A.2. The Government already spends huge sums of money on Merseyside - over £1000m in 1983-84. There have been and will be no special extra funds for Liverpool. We did not submit to the Council's blackmail this year. We will not do so next year. The rest of the country is fed up with raucous special pleading of the Militant Tendency who run the Council.

Q.3. Are you seriously suggesting that the Council should cut 6,000 jobs?

A.3. Far more jobs will be at risk if the Council fail to act responsibly and balance their budget.

Q.4. Why has Patrick Jenkin failed to keep his promise to provide the City with £130m in capital allocations for 1985/86?

A.4. That allegation is a flat lie. My rt hon Friend made no such promise. The Council must be living on a fantasy island if they ever thought such sums were possible.

Q.5. Will the Government simply allow the City Council to collapse.

A.5. It is the City Council which has the duty to run Liverpool. They must pull themselves together and act responsibly. If they fail to do so it is the people of Liverpool and the Council's own staff who will suffer.