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PRIME MINISTER

THE PROPOSED NATIONAL COUNCIL FOR VOCATIONAL QUALIFICATIONS

We are to discuss tomorrow your initial reaction to my minute of 9th June about the proposed national council for vocational qualifications. In advance of that meeting I thought it might be helpful to comment on the questions which I understand you were asking. They might serve as an agenda.

Is the function of the proposed NCVQ necessary?

I believe it is vital to rationalise the present jungle of literally hundreds of examining standard setting and professional bodies which at present award a corresponding number of vocational and professional qualifications often with very little regard to the real requirements of the workplace and the nature of qualifications awarded by related bodies. As a result there is a strong disincentive to people to take further training if they feel they will not get credit for what they have already done. Moreover most qualifications give quite insufficient recognition of skills acquired at work

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and the need for testing of competence at work rather than on paper. The NCVQ will tackle these issues, and its success in doing so will be, I believe, ~~(the proposed functions of the NCVQ are)~~ vitally important to increasing labour market flexibility.

Why a new body?

The review group, under Oscar De Ville, was representative of a number of the major interests including employers professional bodies, and educational bodies and it was clear in the group discussions that because the proposed functions of the NCVQ would restrict the independence of existing bodies none of them would be seen as impartial when dealing with the other organisations which are in many cases their competitors in the market place. For example the City and Guilds of London Institute (CGLI) could not be accepted by its main rivals (the Business and Technician Education Council and the Royal Society of Arts) as being impartial if it had to examine the status of their qualifications. The review group was unanimous that no existing body could take this on. It also considered at an earlier stage whether the function was



appropriate to government but the unanimously view was that there was no existing government department or agency which would be sufficiently acceptable to all the interests to achieve rationalisation by agreement. We would be forced to legislate to give powers to DE Group or DES (or Welsh or North Ireland departments) to enforce the change. In the long run that may yet be necessary but I am sure we should try the voluntary route first - it avoids the need for more civil servants and promises to be self-financing after a few years.

Will any bodies disappear?

I cannot make any promises that the arrival of the NCVQ to discharge a new function will mean the disappearance of any existing bodies but I hope and expect that it will have the effect of rationalising considerably not only qualifications but ultimately the bodies issuing such qualifications. But I cannot promise any immediate savings in the short-term.

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Can the ministerial arrangements be simplified?

In deference to the wishes of the education ministers and their judgement about the reactions in the education world I have accepted that the Council should be jointly sponsored by the Secretaries of State for Education and Science, Northern Ireland, and Wales but that I should take the lead in day to day matters and for issues spanning the functions of all departments concerned. It has also been agreed that I should make appointments to the Council, in consultation with other ministers. It would be possible to provide that the Council was accountable only to me, whilst making it clear that in exercise of my controlling functions I would consult other ministers as necessary; and indeed the review group unanimously recommended accountability to a single Secretary of State. I would however expect Kenneth Baker to have strong views about this and to argue that accountability to me alone would reduce the chances of acceptance of voluntary rationalisation because the education world at large would drag its feet even more.

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Conclusion

I can understand your reservations about setting up a new body. I must emphasise however that not only the CBI but individual employers (eg Rocco Forte) have said to me how important they think the functions of the NCVQ will be in encouraging a better trained and more flexible workforce. We have unanimous recommendation with a real chance of success by voluntary means. The return on an investment of some £3 million a year for basic costs (and for the first few years only) will be enormous.

I look forward to developing these arguments when we meet.

A handwritten signature in blue ink, consisting of stylized initials and a long horizontal stroke at the bottom.

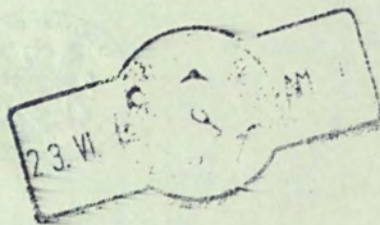
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23<sup>rd</sup> June 1986

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Sincerely,  
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June 1955

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