



10 DOWNING STREET

LONDON SW1A 2AA

bc. Mr. Norgrove.

pa

4 September 1986

Lord Young of Graffham
Secretary of State for Employment
Department of Employment
Caxton House
2 Tothill Street
LONDON SW1

Dear Lord Young

I attach an article from the Daily Telegraph (4 September) about a Northamptonshire furniture maker who has been unable to recruit new workers locally.

As you know, the Prime Minister is particularly interested in examples like this. I wonder if someone in your Department could check the facts - and also report on whether the local Job Centre is using the opportunity to disqualify from benefits those long term unemployed in the area who refuse to apply for these jobs?

Yours

Norman Blackwell

NORMAN BLACKWELL
PRIME MINISTER'S POLICY UNIT

Employer cannot find workers at £250 per week

Daily Telegraph Reporter

A NORTHAMPTONSHIRE furniture maker said yesterday that he was considering building an additional factory elsewhere because he cannot recruit the employees he needs at salaries of up to £250 a week.

35,000 jobs go begging in computers

By Neil Mainland
Industrial Staff

DESPERATE computer companies are poaching staff from their rivals because up to 35,000 jobs in the industry cannot be filled, a top staff recruiting agency said yesterday.

There are just not enough trained applicants to fill the posts, which carry salaries between £10,000 and £35,000 a year.

Lucrative jobs were going begging because neither industry nor the education system was meeting the growing demand for skilled computer staff, said Mr Tom Kay, managing director of DP Recruitment Services.

To meet the need, he has organised "a job shop," the first of its kind in Britain, which will open in London's Intercontinental Hotel this week.

More than 70 companies, including Safeway, the Midland Bank and the Post Office, will have up to 4,000 jobs on offer and organisers hope about 5,000 potential employees will turn up to apply for them.

The event, called Visit 86, is modelled on similar recruitment drives in the United States and Europe, and Mr Kay said: "We hope to put a lot of employers and a lot of well-qualified people in touch with each other."

Highest pay

Staff shortages range from computer operators on £10,000-a-year to programme and systems managers earning more than £35,000. "The lack of training means the same people are circulating in the system, working for whoever can pay them the highest salaries," said

Mr David Sands, chairman of Appleby, furniture makers of Desborough, Northamptonshire, a firm he started seven years ago, said that he had been unable to find 100 unskilled workers to be paid between £150 and £250 a week to train as upholsterers.

"I blame the system," he said. "A man with three or four children is better placed to provide for his family if he is out of work. You cannot blame people for not taking jobs, when it is the system at fault."

Full order book

His firm, which employs more than 350 people, has full order books stretching well into next year. In the past few weeks 60 new employees have been recruited.

"I need another 100 immediately and more than 250 next year. If I cannot find them locally, I will build a new factory anywhere I can find the labour," said Mr Sands.

The Kettering travel - to - work area, which includes Desborough, has a total of 3,372 registered unemployed. But the pool of potential recruits has shrunk as an influx of new firms to the area has resulted in a fall in the total unemployed in Northamptonshire from 27,213 when the impact of the closure of the Corby steel works in 1981 was at its height, to just over 24,000 in June this year.

Mr Sands acknowledges that the improvement in local job prospects generally is a large contributory factor to his problem. Job centre officials in the county yesterday emphasised that, and also pointed to the small population of Desborough and the lack of public transport in the surrounding area.

Mr Patrick Smith, manager of the Job Centre at Corby, eight miles away said: "You would really need a car to travel from here. We have a strong tradition of hard work locally, and even the older men put out of work when the steelworks closed are genuinely seeking jobs."

An expert on low pay said last night that some families with several children could be better off unemployed rather than earning £150 a week.

There would be a flat rate unemployment benefit of £49.80 a week, supplementary allowance for four children of up to £60 a week, and possibly housing benefits and rate and rent allowances worth £20 and upwards.

Shipyard in jobs warning

By Roland Gribben
Business Editor

HARLAND and Wolff the state-owned Belfast ship-builder said yesterday that it needed more orders to avoid job losses.

The warning came as the company announced it had lost £29 million in the year to March 31, against £35.8 million in the previous 12-month period. But a write-down of assets reflecting the cutbacks in the size of the business added £10.3 million to the deficit.

The yard is the most successful in Britain, with an order book valued at around £300 million, but Mr John Parker, chairman, said that this was only enough to ensure continuity of work for 50-60 per cent of the 5,000-strong workforce through to 1989.

"In order to increase employment opportunities we require to win orders between now and the commencement of 1987," he said in his annual statement.

'Unquantifiable losses'

The yard is concentrating on a mixture of merchant, naval and offshore business. The slump in oil prices is forcing the company to take a more pessimistic view about oil-related business and greater efforts are being made to win civil engineering contracts with a high steelwork content.

Last year's trading deficit was the lowest for four years. The amount of state support, £36.5 million in the last financial year, has been cut by 34 per cent in the same period.

But the accounts show provision for prospective losses and future financing costs of £55.8 million. Failure to achieve further planned productivity improvement "could involve the company in substantial unquantifiable losses in excess of provisions made," it is stated.

The company needs new business worth between £90 million and £100 million a year to maintain the current workforce. It has made substantial productivity gains and is looking for a further 20 per cent improvement in a 170,000-ton bulk carrier being built for British Steel.

Its other work includes a £60 million to £70 million order to convert a container vessel for the Navy into a mini-aircraft carrier and the £120 million contract for a new naval auxiliary oiler, won after a bitter battle with Swan Hunter.

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