

Hampson

16th December 1981

Thank you very much for your letter of 11th December.

Of course I recognise the special qualifications which you have as a result of all the contacts which you have made in the sphere of Further Education, and as Vice-Chairman of Youthaid.

I understand that, since writing your letter, you have had a long talk to Norman Tebbit.

I hope that you were reassured, at any rate in part, by Norman's Statement yesterday afternoon, and by his replies to Questions.

As you know, both he and Peter Morrison will be very pleased to consider sympathetically any suggestions which you may have to make, following the Statement.

Dr Keith Hampson MP

cc. The Rt Hon Norman Tebbit MP
The Hon Peter Morrison MP

bcc. The Rt Hon Michael Jopling MP

From Dr Keith Hampson, M.P.



RWH/2

Hampson
MEMORANDUM
LESTER

HOUSE OF COMMONS
LONDON SW1A 0AA

11 December 1981

Dear Margaret,

I like to think that I am one of only a handful in the Parliamentary party who know intimately the world of education and youth. During the Opposition years I built up a wealth of contacts in the Further Education and training areas and I am Vice Chairman of Youthaid. So it is at this late hour that I write to urge you to step in to postpone the announcement by Norman Tebbit on Tuesday.

I would hate to have the Government face a repeat of what has twice happened to Michael Heseltine: rushing forward with something that stirs up such a reaction that we have to withdraw or revise it. I assure you that there is every likelihood of terrible repercussions if what people have heard from ministers and through leaks is true. And this would be a tragedy. This is a great opportunity for the Government to launch something which would have a most appealing ring to the electorate, of doing something for the 16 to 18s which every other government has ducked. A lot hangs on how well we sell it.

Instead, there is a real risk that Tuesday's statement will look at best as if we are merely continuing to cobble up stop-gap measures to deal with the unemployed, and at worst that we are being mean and ungenerous. Considering the scale of resources being planned and the importance of this initiative to our electoral chances, it really would count as the political mishap of all time if we failed in our presentation of it.

There is in fact no need to rush into detail, though I can see the advantage of setting down a marker in advance of unemployment reaching three million. But next week is not ideal for good publicity - everyone already has their minds on Christmas shopping. I have taken soundings with the MSC^{and} a delay in the launch of the scheme till the end of January would not cause real problems.

There are three aspects which, from what I have heard, need more thought regarding presentation. These are:

i) The £15 a week allowance. It would be better to freeze the allowance at the present £23.50, anything less (particularly at 1983 prices) would look very mean to the public at large, would risk withdrawal of union cooperation on any scheme because of their fears of job-substitution, and would alienate young people. On this latter

point, ministers are deluding themselves if they think that the offer in the package of real training will enthuse the majority of young people: there is a lot of research on young people's alienation from the education system and their desire for adult hood, the hallmark of which is "money in your pocket". If Supplementar Benefit is abolished in one go, rather than phased down, we will produce alienation of menacing proportions. Thousands will not, or cannot enrol in a traineeship and will turn to violence, and also no doubt to every kind of extremist organisation imaginable. At the least we will have given the unions a very fertile recruiting ground.

The way to deal with this is not to talk of £750 per year instead of a weekly allowance, since it will not take long for people to divide by 52. The answer is either not to refer to an allowance at all and instead to concentrate on the global sum for the scheme and leave it open at this stage as to what will be the breakdown between the young person's allowance and the worth of the training he will receive. (Especially since I have always viewed MSC's calculations on training costs as rather on the high side).

Or, the Government can say that, as now with YOP, it will pay an allowance for 6 months, but since the employer is gaining some work out of these young people, the following 6 months should be paid by him. Actual details, for example on the precise share of costs, can be left for negotiation with the CBI, it is the idea of sharing the burden which is important from the presentation stand point. This leads directly to my next point.

ii) The so-called "window". By this I understand we mean that if the employers and MSC can come up with a better scheme then we will adopt that. Where for heavens sake are the politics of this! The Government gets a pasting for its scheme and then is rescued!

iii) The lack of a comprehensive approach. Much criticism could be silenced if the scheme were presented as a phased "development plan", the skeleton of which could be launched on Tuesday, to be fleshed out later. The first phase is to announce the transition of YOP into a new yearly scheme beginning next year, building up to the full traineeship programme in 1983. A second phase should be the reform of apprenticeships; and the third phase the incorporation of the Unified Vocational Preparation scheme, with expanded opportunities for those in work to gain further education and training. The commitment to such a long term approach is most important. At present the scheme sounds unadventurous. It seems limited to 16 year olds and therefore potentially smaller in scale than the present YOP (380,000 as against YOP's 550,000). It seems also to leave a number of sensitive questions unresolved, e.g. what will happen to an Easter school-leaver, with no supplementary benefit, who might not find a traineeship until October!

In short, this scheme could become a monument to the Government's compassion and concern for young people, but it will prove very hard to build up anything on the basis of instant opposition. This is what I fear we will get. Therefore I recommend a holding statement setting out in ringing terms a phased development plan on young people and training and leaving a detailed White Paper till the New Year.

My very best wishes,

Keith Humphreys

From Dr Keith Hampson, M.P.



RWH

HOUSE OF COMMONS
LONDON SW1A 0AA

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My very best wishes,

Keith Humphreys

Private and Confidential



Government Chief Whip
12 Downing Street, London SW1

Secretary of State for Employment

Further to my recent notes to you about your new scheme for youth unemployment, I attach a copy of a letter and enclosure which I have received from John Lee.

I am sending a copy of this minute to the Prime Minister, Francis Pym and to Sir Robert Armstrong.

14 December 1981

Concern over Tebbit school-leavers plan

BY IVO DAWNAY, LABOUR STAFF

CONCERN that the Government plans to introduce a controversial new training scheme for unemployed school-leavers was voiced at a conference of youth service workers in London yesterday.

Delegates agreed that a rapid expansion of youth employment schemes combined with an increase in allowances paid to trainees were essential factors in lifting the level of job opportunities for young people.

But recent reports indicating Mr Norman Tebbit, the Employment Secretary, is considering an expanded programme to cut payments to unemployed school-leavers on training schemes from £23.50 to £15 and to withdraw supplementary benefits to those who declined to participate drew criticism.

Miss Clare Short, director of Youthaid, urged delegates to support an alternative, Manpower Services Commission, proposal for an expansion of the existing Youth Opportunities Programme which would

provide at least 12 months' carefully-monitored training to all school-leavers and raise allowances to £28.

Mr Eric Hopwood, a senior Essex education officer, demanded an assurance from Mr William Shelton, a junior Education Minister, that allowances would not be cut.

Mr Hopwood later said current pay rates were detrimental to young people's morale. A cut would exacerbate the situation. People in the educational sector thought, nevertheless, that this was what would happen.

A White Paper on Government plans for expanding youth training programmes will be published next week, following lengthy consultations with youth and educational bodies, the MSC, industry and the Trades Union Congress.

The TUC has declared its opposition to any form of compulsion to join training schemes. It is pressing for an increase in allowances to £30.

From: John Lee, M.P.



HOUSE OF COMMONS
LONDON SW1A 0AA

10th December 1981

Dear Michael,

New Training Initiative

Further to our brief word in the lobby yesterday evening, I am just writing to express my concern at the reaction of those in the youth world to the 'leaked' New Training Initiative.

My assessment is that both the negative compulsion aspect ie. the withdrawal of supplementary benefit and the £15 a week figure will bring on us massive criticism and in some cases, withdrawal of co-operation from the very people we need to carry with us if the scheme is to be successful.

As you know, many of our colleagues have extensive contacts with the youth world and some have prepared papers etc. on a variety of options. I would like you to ask which of us have given any indication that the above proposals would be welcomed.

... I enclose a cutting from today's Financial Times which covers the conference that I was at yesterday.

Kind regards.

Yours sincerely,

A handwritten signature in dark ink, appearing to be 'JL' or 'John Lee'.

John Lee, Esq., M.P.

Rt.Hon. Michael Jopling, M.P.