

Prime Minister ②

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PRIME MINISTER

NATIONAL TRAINING COMMISSION

I would like to comment on the proposal for a National Training Commission (NTC) from the point of view of the Department of Trade and Industry. For a number of years the Department has been involved in activities to influence education and training to make them more responsive to the needs of industry and commerce. Many of these activities have been concerned with industry/education links, but others such as the micros in schools scheme and the CNC machine scheme for FE Colleges have been directed at influencing the curriculum and its relevance to modern industrial conditions.

2 The Department's experience, confirmed by its contacts with industrialists, is that the FE sector is a relatively neglected part of the education system which in many ways seems to have lost its sense of direction and purpose. It suffers from inadequate provision of modern technological equipment. It is recognised that improvements are being introduced - indeed the Department is co-operating in some of these - but it seems unlikely that these will lead to rapid improvements and certainly not to the 'step change' which will be needed to meet the rapid changes in technology and skill



requirements which already exist, and which we must expect to become more intense. If we are not ready to meet these changes, the prospect of industry being able to respond fully to an upturn in the economy or to the longer term challenges we face is poor. The Department therefore favours a change of the sort envisaged in the NTC proposal.

3 The idea of putting the purchasing power in the hands of industry and employers generally is attractive both as a discipline on the FE colleges themselves and as a stimulus to employers to articulate their requirements more clearly. Many industrialists presently fail to set out their requirements, some because they despair of influencing the education system, others because they are dismayed at the length of time which elapses before change is discernible. A major advantage I see from this Departmental viewpoint is that there will be much more effective and rapid mechanism for connecting changes in the real world of industry to the changes needed in education. Once this is recognised, a much fuller and better informed guidance from industry should be forthcoming. I think it would be surprising if such a change did not induce a greater degree of cost consciousness in colleagues, which could bring a better balance between expenditure on modern equipment and staff costs, as well as offering a prospect of more training within existing resources.



4 To make sure this happens, we shall have to 'market' the NTC in such a way as to attract greater industrial involvement. It would be essential to have the NTC answerable to one Secretary of State. Although it might be held that this Department should sponsor industrial training I would not ask for a formal arrangement for the NTC to report to the Secretary of State for Trade and Industry as I think clear lines of responsibility are needed. I would, however, be anxious to join Tom King in persuading industrial and commercial employers to play their full part, and to use the resources of this Department to that purpose in close consultation with him and the NTC.

5 For the initiative to be fully successful there is one other point to which we shall have to devote care. The local representation of employers must be credible in a way which existing arrangements within LEAs are usually not. The Manpower Services Commission have made substantial progress in improving their local contacts with employers especially through AMBs and the YTS programme. We must build further on those foundations. It will also be essential to ensure that the NTC is clearly presented as a body concerned with training the employed in order to improve their effectiveness in employment, rather than training for the unemployed often without a clear prospect of a job as the MSC used to do.



6 I do not underestimate the difficulties and likely reactions of local authorities and educationalists, but I believe the TVEI has shown that effective changes in education can be introduced by changes in the funding arrangements. The need for an initiative of this kind to bring education closer to the world of work and training has been long recognised and if promoted with enthusiasm and flair it could be widely welcomed. No alternative way of achieving the change which our present and prospective industrial and commercial situation requires has been put forward in the twenty years or more since the need has become increasingly apparent and action is now urgent.

7 I am copying this to Keith Joseph, Tom King, David Young and Sir Robert Armstrong.

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28 October 1983

Department of Trade and Industry