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Andrew Turnbull Esq
Prime Minister's Office
10 Downing Street
LONDON SW1

27 March 1984

Dear Andrew,

I attach the material on the Youth Training Scheme which the Prime Minister requested at her meeting with the Secretary of State this morning. I apologise that in the time available we have not been able to get the table typed.

Yours sincerely
David Normington

D J NORMINGTON
Principal Private
Secretary

Why haven't more YTS places been taken up?

The original estimate overstated the number of youngsters who would need to be covered by the Scheme. Also, more youngsters have gone into normal employment and significantly fewer of these jobs have been covered by the Scheme than was originally expected.

Did we meet the Christmas undertaking?

The Government's undertaking that all unemployed 16 year old school leavers would be offered a place on the YTS by Christmas was effectively met. Fewer than 4,500 remained without an offer on 4 January and of these just under 2,000 were awaiting the results of submissions to places.

What is the position regarding YTS in the Civil Service?

There is a national framework agreement with unions. Individual YTS schemes need to be considered locally, and the proposal for a scheme in the Cabinet Office was rejected by staff in the wake of the GCHQ difficulties. The Secretary of State for Employment, the MSC Chairman and Lord Gowrie have agreed to let matters lie for a while, not least because there is no pressing need for additional YTS places at present. There is a firm intention to press forward later in the year.

Why is Mode B1 provision being reduced in 1984/85?

The Government firmly believes that the YTS should be primarily employer based (Mode A). In any case, the current level of Mode B1 provision is too high - only 55,000 filled places out of 90,000 approved - and unoccupied places on this type of scheme cost about £2,000 pa. This is substantially more than the cost of an unoccupied Mode A place.

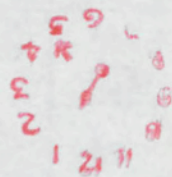
It is extremely regrettable that the unions have held up the establishment of YTS schemes in the Civil Service. We remain committed to giving young people the chance to gain work based experience in the Civil Service -

The Youth Training Scheme - Occupancy Rates by Scheme Type 21 February 1984

REGION	Mode A			Mode B1			Mode B2		
	Approved Places	In Training	Occupancy Rate	Approved Places	In Training	Occupancy Rate	Approved Places	In Training	Occupancy Rate
Scotland	33,534	20,910	62%	10,122	7,092	70%	2,264	1,435	63%
Northern	16,768	10,514	63%	8,056	5,523	69%	3,931	2,726	69%
North West	44,405	25,570	58%	16,492	10,223	62%	4,322	2,344	54%
Yorks & Humb.	29,300	18,057	62%	8,823	5,025	57%	5,842	3,539	61%
Midlands	65,889	37,827	57%	19,620	11,009	56%	4,425	2,533	57%
Wales	15,663	10,140	65%	6,055	4,377	72%	2,619	1,813	69%
South West	27,484	16,420	60%	5,277	3,379	64%	860	439	51%
South East	59,065	33,314	56%	10,413	6,111	59%	4,949	2,626	53%
London	28,152	12,713	45%	5,565	2,582	46%	2,461	1,043	42%
Great Britain Total	320,260	185,465	58%	90,423	55,319	61%	31,673	18,498	58%

Overall Occupancy Rates at 29.2.84.

Region	Approved Places	In Training	Occupancy Rate
Scotland	45,920	29,435	64%
Northern	28,755	18,763	65%
North West	65,219	38,137	58%
Yorks & Humb.	43,965	26,621	61%
Midlands	89,934	51,369	57%
Wales	24,337	16,330	67%
South West	33,621	20,238	60%
South East	74,427	42,051	56%
London	36,178	16,338	45%
G.B. Total	442,356	259,282	59%



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YOUTH TRAINING SCHEME

POINTS TO MAKE

In its first year, the Youth Training Scheme was an undoubted success. The Government's undertaking that all 16 year old school leavers remaining unemployed would have the offer of a place on the Scheme by Christmas was effectively met. At the end of the first year over a quarter of a million youngsters were in training on YTS - a tremendous vote of confidence in the Scheme, by the very people it is designed to help.

The second year of YTS is one of consolidation with the emphasis on maintaining and improving the quality of the Scheme. Again this year it is proposed that all minimum age school leavers without jobs should receive the offer of a place on the Scheme by Christmas 1984.

Results of a recent survey indicate that almost six out of ten YTS trainees are finding work.

BACKGROUND NOTE

Entrants

There were over 350,000 entrants to YTS in 1983/84. In the first six months of 1984/85 there were 236,000 entrants to YTS, over 66,000 more than in the same period last year.

In training

Total number of youngsters in training at end September 1984 was over 310,000.

Allowance

Allowance for YTS trainees was increased by 5 per cent from £25 to £26.25 per week from 1 September 1984 - Secretary of State for Employment announced on 20 July. Level of allowance recognises status of youngsters as trainees rather than full-time productive workers, and reflects the benefit of the training they are receiving.

Jobs after YTS

Although employment after YTS cannot be guaranteed, skills learnt on the Scheme will help young people compete for jobs, and aid their progress into further training. Results of a recent survey conducted by MSC suggest that almost 60 per cent of leavers are finding work. If those going or intending to go into further education are included the proportion rises to over 70 per cent.

Ethnic Minorities

MSC commissioned a report from Bristol University on how ethnic minorities had fared in the first months of YTS. The aim of the research was to find out what further action might be necessary to promote the interests of youngsters from ethnic minorities on YTS. MSC is now considering the report.

MSC is firmly committed to equal opportunity on YTS. A non-discrimination requirement is written into contracts with Managing Agents and Sponsors. Training in equal opportunity awareness is available for training providers and their staff.

Quality of training

All schemes must satisfy MSC and Area Manpower Boards that they meet required standards. MSC have monitored strategy to ensure agreed standards are maintained.

YOUTH TRAINING SCHEME - CRE REPORT

Line to Take

The Manpower Services Commission is considering the implications of recently published reports commenting on ethnic minorities and the Youth Training Scheme. The recommendations and detail of the reports will be discussed at the next meeting between the Chairmen of the MSC and the Commission for Racial Equality arranged for 5 November.

Background Note

The MSC has recently received three reports;

- (i) Research report commissioned by MSC of the University of Bristol entitled "Ethnic Minorities and the Youth Training Scheme".
- (ii) Review of the Youth Training Scheme prepared by the Youth Training Board.
- (iii) Report by the Commission for Racial Equality entitled "Racial Equality and the Youth Training Scheme".

All the reports highlight the importance of equal opportunities within the Scheme.

The CRE report looked at Mode A schemes run by fifteen major employers and found that "there were virtually no black youngsters on most schemes in multi-racial areas". Along with the recent report from Bristol University and, to a lesser extent, the Youth Training Board's "Youth Training Scheme, Review 1984" this latest document will no doubt ensure that the subject remains in the news.