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CABINET

MINISTERIAL COMMITTEE ON ECONOMIC STRATEGY

INDUSTRIAL TRAINING

Memorandum by the Secretary of State for Employment

I attach at Annex C the draft of a document setting out, as a basis for consultation with industrial, educational and other interests concerned, proposals for major improvements and reforms in the quantity and quality of industrial training. At Annex A is a one page synopsis for the convenience of colleagues.

2 The draft document has been prepared jointly by officials of the MSC and of all the Government departments concerned, and it is intended for publication jointly by Government and the MSC. The MSC will consider it on 24 February and after discussion with them thereafter of their and our views, I envisage publication of an agreed document early in April. Consultations will conclude in September and we shall then take decisions for action.

3 By that time the Employment and Training Bill will have revised the statutory position of Industrial Training Boards (ITBs), the MSC will have completed its current review of training arrangements in each sector of industry, and in the light of that we shall have decided, or be ready to decide, in which sectors training can in future be left to voluntary arrangements and in which statutory ITBs will continue to be needed for the operation of this new approach.

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Objectives

- 4 I suggest that we can clearly endorse the three objectives set out in paragraph 31 of the draft document:
  - 1 to ensure that by 1990 all 16 and 17 year olds have the opportunity to undertake either full-time education or a traineeship which combines work and work-related training and education;
  - 2 to secure that young entrants and adults are able to train to recognised standards related to the skills required in jobs;
  - 3 to open up widespread opportunities for people - whether employed or returning to work - to increase and update their skills and knowledge during the course of their working lives.

Resources and Priorities

- 5 The concept of foundation traineeships for all young people leaving full time education at 16 (reducing from about 700,000 to about 600,000 over the decade) will take years to achieve (assuming we proceed on a voluntary basis, as I recommend below). At the present moment some 3,500 a year are participating in the Unified Vocational Preparation (UVP) programme where the Government meets further education costs and pays the employer £4 a day for time spent off the job. We are committed to extending this to 20,000 at a total cost of £12m by 1983/84. In addition, about half the target group are at present receiving some elements of what would be involved in a foundation traineeship entirely at Government expense through the Youth Opportunities Programme (YOP). The current provision for that programme in 1983/84 is £281.2m.
- 6 Over the next 2 or 3 years we might develop foundation traineeships by some redeployment of these resources. Depending on reactions to the consultative document, we might want to extend or speed up the experimental traineeship programme if additional resources are available. We need to establish a good useable content of traineeships and practical ways of arranging them before we try to extend them generally. The next 2-3 years would therefore be used to establish a sound base for rapid extension of traineeships thereafter.

7 The longer term cost of extending foundation traineeships to the whole of the target group, and improving their quality to the recommended standard would require substantial additional resources. How these should be met as between Government, employers and the trainees themselves (by accepting lower wages or allowances than would otherwise be the case) is one of the issues canvassed for consultation in the document. Annex B illustrates what the cost to

Government might be in 1990 additional to what we are committed to for YOP and UVP in 1983-84. The basic assumptions are that the Government pays for traineeships for the young unemployed and finances the necessary additional provision for further education (largely in the form of maintaining facilities that would otherwise be run down). The extra costs to Government then vary according to the level of youth unemployment and whether employers are given a traineeship subsidy (as under UVP). The additional costs to Government shown in Annex B range from under £20m a year if youth unemployment is relatively low and employers receive no subsidy to around £300m a year on the contrary assumptions. These figures are, of course, highly speculative.

8 The other two objectives - training to standards and wider opportunities for re-training - are basically for employers and, with two exceptions, any Government expenditure would be contained within existing programmes in the short term and at similar levels in the longer term.

9 One exception is the proposal for the establishment within the NSC of a unit to promote the development of techniques and opportunities for "distance learning" - an "Open Tech". This is provisionally estimated to require between £6m and £10m a year on a continuing basis when fully operational and I intend to consider to what extent we could introduce this within existing training budgets.

10 A further possibility raised in the CPRS paper (E(81)22) would involve increased Government expenditure now on skill training for young people to prepare for industry's demands on the upturn. As the consultative document makes clear, the remedy for skill shortages lies primarily in the hands of employers and unions. Greater flexibility in the training and use of skilled labour is the right course and the proposals in the document push in that direction. But it will be a hard slog and immediately we are vulnerable to charges that we are not doing enough to prepare against skill shortages in the recovery. I therefore support the CPRS suggestion and, if colleagues agree that some extra resources should be made available for this, will urgently put forward specific proposals.

Voluntary or Compulsory?

11 The document envisages that the three objectives would be pursued by entirely voluntary means. I strongly support this, at least as the initial approach over the next two or three years. Legislation might have a part to play in the longer term either because the new ideas had gained growing acceptance and there was a strong body of support for making them universally applicable, or because the voluntary approach was demonstrably not achieving the required results. The consultative document airs such possibilities, including the CPRS suggestion of a compulsory training year. It is right to do so, but I am sure that a lead from Government in the direction of compulsion would simply kill any chance of voluntary advance over the next critical two or three years.

A Joint Document with MSC?

12 I therefore believe we are right to build on the initiative taken by the MSC last summer. A voluntary approach depends on cooperation and their commitment would involve not only the CBI and the TUC but also educational and local authority interests. If we are to push through reforms by voluntary means we require the support of CBI and TUC members operating within the MSC.

Education and Training Links

13 I also attach at Annex D a report by officials on the existing links between education and training. This recommends a review to identify ways of improving arrangements for consultation between education and training institutions, to clarify financial responsibilities and to examine more fundamental organisational questions. It is highly desirable that we should have before us by the Autumn firm proposals on the first two matters. I am less certain of the value of considering fundamental reorganisation and I suggest confining the remit in this area to any improvements which can be made within the basic existing system.

Conclusion

14 I invite my colleagues

- (a) to endorse the three objectives quoted in para 5 above as a basis for consultation with industrial, educational and other interests concerned;
- (b) to note that worthwhile progress could be made in the short term on these objectives without additional public expenditure save possibly something for the "Open Tech" (para 9) and the CPRS suggestion in E(81)22 for further skill training for young people against the upturn (para 10);
- (c) to note that considerable resources would be required in the longer term, particularly for foundation traineeships, but that the extent to which these should be met by Government, by employers or by the trainees themselves is still a matter for consultation, without commitment;
- (d) to agree that these objectives are best pursued on a voluntary basis and that we should seek to agree the consultation document with the MSC for joint publication early in April for comment by the end of September, after which we should take decisions for action;
- (e) to agree that officials should report within the same time scale on ways of improving the links between education and training are envisaged in paragraph 13 above.

Consultative Document: Synopsis

1. The importance of training to industry and the individual (paras 1-5).
2. Deficiencies of and responsibilities for the present system. Recurrent skill shortages, inadequate training for young people, inflexibilities in apprenticeship training (paras 6-21).
3. Recent steps towards a new approach (22-29).
4. Proposed objectives of a new approach: traineeships for young people, skill training to recognised standards, training opportunities for adults (30-32).
5. Traineeships for those not embarking on further education at 16 give young people adaptability, appreciation of working environment, fundamental skills, develop potential (34-56).  
Content: one year's integrated education/training with certificate (39-42).  
Financing: initially no additional funds, some pump-priming may be needed later (44-48).  
Way forward and organisation: develop UVP and YOP, with pilot projects (49-51).

Possible legislative approach if voluntary approach fails (52-55).

6. Skill training for young people and adults to be related to standards achieved, not to time served or age (57-61). Role of employers

standard-setting bodies and MSC (through Training for Skills funds) (62-71).

7. Widening opportunities for adult training and retraining on a flexible basis: achieved mainly by collective agreements, with promotion from MSC and industry training bodies (72-80). Development of "Open Tech" through unit in MSC in conjunction with education bodies (81-87).

8. Timetable: for consultation to September 1981, action build up over 2-3 years and review in 1983-4 (88-94).

NEW TRAINING INITIATIVE

Estimated costs to 1990

Traineeships

Provision for YOP and UVP for 1983/4 at 1980 survey prices is £293.2 million. No extra expenditure will be required in this period for the development of traineeships.

Thereafter costs of traineeships will depend on:

- (a) success in securing industry support for the initiative - especially on low wages for trainees;
- (b) the requirement for YOP places;
- (c) government and MSC decisions, now, next autumn and at any later stage on the level and nature of any public involvement in the initiative especially on the role of grants or of legislation.

The attached table gives estimated costings for 1990 under different illustrative assumptions; in all cases the costs include £7.35 per day to cover Further Education costs. The results are:

- (i) 400,000 traineeships, no subsidy to employer:  
100,000 YOP places to traineeship standard:  
£18m cost above 1983/4 YOP and UVP provisions;
- (ii) 400,000 traineeships with £4 per day subsidy to employer (as UVP); 100,000 YOP places: £82m cost above 1983/4 provision;
- (iii) 200,000 traineeships, no subsidy to employer;  
300,000 YOP places: £300m above 1983/4 provision;
- (iv) 200,000 traineeships, £4 per week subsidy to employer; 300,000 YOP places: £330m above 1983/4 provision.

These figures are, of course, very speculative.

## Skill Training

The above calculations exclude those young people (about 100,000 a year) who currently enter apprenticeships, or similar training. Present provision for the Training for Skills Programme (£45m) if reallocated would be sufficient to provide incentive grants to employers on the scale envisaged for foundation traineeships as well as covering any expenditure envisaged on the development of standards.

## Open Tech

By 1990 the extra cost of an Open Tech programme might be £6-10m. An additional bid of this order may be required in existing PES period.

## Costs of Traineeships in 1990

All figures 1980 survey prices.

The estimated costs of traineeships in 1990 additional to those provided for under YOP and UVP for 1983/4 (£293.2m) have been calculated as follows.

Target population - 500,000 16 and 17 year olds leaving full-time education and not getting apprenticeship or equivalent.

Cost of YOP per head for one year: £1,750

Cost of Government support for 1 traineeship for 1 year (allowing for administration and including provision for £7.35 per day for 40 days off-the-job training; and, where paid, £4.00 per day for 40 days to employer):

- = £500 per trainee/year with assistance to employer;
- = £340 per trainee/year without assistance to employer.

Assumption (i): 100,000 YOP places, 400,000 traineeships with State providing FE, no assistance to employers:-

	£m
100,000 YOP places:	175.0
400,000 traineeships:	136.0
Total:	311.0
Less £293.2m: net additional cost:	<u>17.8</u>

Assumption (ii): 100,000 YOP places, 400,000 traineeships with assistance to employers:-

	£m
100,000 YOP places:	175.0
400,000 traineeships:	200.0
Total:	375.0
Less £293.2m:	<u>81.8</u>

Assumption (iii): 300,000 YOP places, 200,000 traineeships,  
no assistance to employers:-

300,000 YOP places:	£m
200,000 traineeships:	525.0
Total:	68.0
Less £293.2m:	593.0
	<u>299.0</u>

Assumption (iv): 300,000 YOP places, 200,000 traineeships,  
with assistance to employers:-

300,000 YOP places:	£m
200,000 traineeships:	525.0
Total:	100.0
Less £293.2m:	625.0
	<u>331.8</u>

## A NEW TRAINING INITIATIVE: DRAFT CONSULTATIVE DOCUMENT

## INTRODUCTION

1 Training is an investment in human ability. It is an investment which is quite as essential to the success of British enterprise as expenditure on plant and machinery. Nor is its importance any less for individual men and women, since it increasingly determines what jobs they can do and indeed, at a time of recession, whether they have a job at all.

2 The full value of training is not generally recognised or accepted in Britain. It is costly, the pay-off may take a long time and employers' perspectives are often short. Not enough training is done in total. As a result many people are less productive at work and derive less reward from their work than they might. Some of the training done is mis-directed. And some training investment is frustrated because barriers are placed in the way of access to jobs using what has been learned. Overall our performance is patchy and our arrangements inflexible.

3 These weaknesses have been with us for a long time. They have persisted despite a series of Government efforts to put things right. These included the Carr Report of 1957, the Industrial Training Act 1964 and the Employment and Training Act 1973. All of them had some impact but none a fundamental one. The Manpower Services Commission's recent report "Outlook on Training" documents the story.

4 This paper argues that nothing less than a fundamental change in attitude and approach is needed. It points out that the pressures of technological change and international competition are such that failure to change will have increasingly painful economic consequences. It suggests national objectives to which all parties with responsibility for training - including employers, trade unions, the education service, the Manpower Services Commission and the Government itself - should commit themselves. In particular, it argues that effective provision will require especially close co-operation between the training and education systems. It discusses ways and means by which the objectives might be pursued.

5 The Government and the Manpower Services Commission have all those who have a responsibility for or an interest in training to study this paper and to submit their comments and views by [30 September 1981]. Following this consultation it is their intention to promulgate a programme of action which has a clear lead to which all those concerned with training will be invited to commit themselves.

## THE PROBLEMS

### Skill Shortages

6 Experience of recent years shows that skill shortages recur with every period of recovery from recession. Unless there is a new approach, skill shortages will recur. Skill shortages have sometimes been caused by failure to give enough training in skills to young people, but much more importantly they are a symptom of the inflexibility of our training arrangements. During a recession skilled workers who are made redundant often move permanently into other types of job. Furthermore, as the recession reappears many unemployed people will not easily be re-absorbed into work because they will not possess the skills needed for the new jobs and may not have the potential to learn them. The most efficient response, as the economy recovers, would be to re-train adult workers in skills in short supply, but firms are very often unwilling to do this and there is far too little acceptance by industry - managers, shop stewards and workers themselves - that adults should be trained in this way.

7 Whatever the overall state of the economy, there are always thriving and rapidly growing firms and sectors and a good deal of structural change is taking place. The process of change is speeding up and manpower studies underline how far-reaching the effects will be. By 1985 for the first time in our history there are likely to be more white-collar jobs than manual jobs in Britain. There will be rather more managers, people with professional skills such as engineers, and technologists and technicians at work in 1985. By way of contrast, there will be fewer skilled workers exercising traditional craft skills and there will be a very large drop indeed in the proportion of skilled manual jobs available. The lessons are clear.

recovery will be held up unless people can train rapidly in the skills in high demand. Firms will have to be far readier to train and far more responsive to changes in the labour market than they have shown themselves so far.

### The Need for Adaptability

8 If people are to be expected in future to be more adaptable and more receptive to training and re-training in mid-career, young entrants to industry must have adequate opportunities to train and develop their potential. Here our performance is put sharply into perspective by the approach of other countries. Most countries with which we compete industrially put a much greater effort into giving young people generally a solid grounding of education and training, and 16 is becoming the accepted minimum age at which young people emerge fully from this process. There is growing recognition in other member countries of the European Community of the need to give 16 and 17 year olds opportunities for planned education and training together with work experience, coupled with a special status in the labour market.

9 In Britain between 40 and 50 per cent of those leaving full-time education at 16 - ie about 200,000 a year - go into jobs where there is little or no systematically planned training or further education. The comparable percentage for France is 19 per cent and for West Germany only 6 per cent. Girls fare much worse than boys: 48 per cent receive no training at all on starting work, compared with 36 per cent of boys.

### Skill Training for Young People

10 Some 14 per cent of young people reaching the minimum school-leaving age in Britain go into apprenticeships, most of them boys. Many - though not all - apprenticeships are of good quality and provide a formal, systematic and regulated means of training and further education for a young person. Apprenticeship agreements help to safeguard the concept of broadly-based vocational preparation as opposed to training

narrowly directed to the performance of specific jobs. But there are increasing problems. Apprenticeship is linked to craft jobs, many of which are in long-term decline. Even so economic recession, as at present, apprentice opportunities would be cut back far more severely than longer term prospects would justify.

11 Good as apprentice training at its best can be, there are growing concern at the restrictions with which apprenticeship are sometimes hemmed around. In the first place, apprenticeship are for the most part either unattractive or inaccessible to older school-leavers, and there is often no alternative route by means by which 18 year olds or adults generally can train to enter skilled jobs. This greatly restricts opportunities for older workers and it prevents firms from adapting to labour market needs in the way which is so clearly essential. Secondly, in hand in hand with the apprenticeship system go barriers which impede movement from one skill to another. Thirdly, the apprenticeship training period is often unrealistically long as a preparation for the jobs people have to do. Insufficient regard is paid to the different learning speeds of individuals and to differences in the demands of different skills and jobs. Finally, there has been little move towards basing qualifications for entry to skilled occupations on objective standards of suitability and competence rather than on time served.

12 More generally, even outside the occupations traditionally entered by the apprenticeship route, the range of training opportunities open to adults is, judged by international standards, rather limited. However it is quite impossible for many industries and firms to gauge their own demand for skilled workers sufficiently far ahead to rely on long term training of young people to meet it. Fast-growing industries such as electronics and computers are examples of this; but firms in many other industries find economic circumstances so open to change that detailed manpower planning over anything but the short term becomes impracticable. When shortages arise, the response is usually to "poach" trained workers from elsewhere.

There are higher level occupations, particularly at the technician level, which the apprenticeship and education system cannot feed sufficiently within the time scale. There are also many occupations in the service sector, not least in offices, which are affected by increasing mechanisation and computerisation and where the existing training arrangements would certainly be inadequate if not supplemented to some extent by a national effort. And there are a number of skills, particularly skills connected with maintenance, servicing and repairs that are in very wide demand across a number of industries and are consequently "no-one's responsibility".

13 In modern, swiftly developing industries and most particularly in regions previously not industrialised - such as parts of Southern England and East Anglia - the "base" of existing skilled labour may not be sufficient to sustain further development. Where there is rapid structural change, able workers may not possess the type of initial training that enables them to make their way to the newer sectors. The individual who becomes unemployed or sees his opportunities diminishing, feels insecure and needs opportunities to change or develop his skills in new directions, and to know how to acquire them.

14 The concentration on apprenticeship as the gateway to skilled status and further advance has given rise to some of the defensive attitudes on the part of trade unions and groups of workers mentioned earlier. One of the consequences is that, in some industries, there is no career structure for workers who were not originally apprentices. In some well-known cases the tides of change have overwhelmed some, but not all, the barriers. Jobs are not, or are no longer, graded or rewarded according to the levels of skill or knowledge required to perform them competently; less skilled work is often better rewarded than skilled; and there is no obvious path upwards to skilled status and beyond for the unskilled or semi-skilled employee or for the incomer from other industries. In the end, this is to the advantage neither of the latter, nor of the apprentice trained worker.

## Skill Training for Adults

15 In numerical terms the biggest available resource for meeting skill shortages is the pool of capable adults. In general they are experienced and have some existing capabilities to which new abilities can be added. There is a tendency for employers to overlook this readily available resource, which requires retraining and development and to look to recruitment to overcome skill shortages.

16 In short, we have in this country a situation where the overall invest too little in training and the investment which is made is too heavily concentrated on a minority of young entrants to the neglect of much of the rest of the working population. The poverty of our approach places big obstacles to increasing competitiveness and poses a major threat to our standard of living, and to jobs, in the future.

### Where the Responsibility Lies

17 There is no single reason for the current inadequacy of the industrial training and education system nor would it be right to "blame" any particular group in society. Our current situation is partly the legacy of history and of the interplay of social, economic and institutional forces over the past hundred years or more. For example, it has been recognised that the education system has traditionally concentrated on academically able children and on the personal development of individual children; pre-vocational education, particularly for those who leave school at the minimum leaving age has attracted less attention and fewer resources. It is also partly the result of incomplete appreciation of the problem - and hence inadequate action - by managements, trade unions and Governments.

18 On the management side, firms have consistently undervalued the importance of training. They have tended to take a short-term view, limiting their efforts to traditional areas of responsibility and even then too readily cutting back during recessions. Very few offer adequate induction or planned training and work experience for young people other than apprentices. This approach of course has some economic justification. Because training costs money, firms do not want to incur the expense of training, especially lengthy training, if they can avoid it. That it is not they themselves but other firms who are likely to enjoy the benefits.

19 Trade unions are sometimes accused of being solely responsible for the inflexibilities of the training system. This is manifestly not so; but equally, trade union attitudes and behaviour have often been defensive and restrictive. Again there is some economic rationale. Control of numbers of entrants to skilled occupations or refusal to accept those not trained by traditional methods may in the short term protect the jobs and pay of existing groups of craftsmen, as well as putting pressure on employers to maintain their intakes of apprentices. But again, on a longer view, the very effectiveness of restrictions places a severe brake on performance and flexibility and this in turn hampers the growth of jobs and the ability of industry to raise wages.

20 Finally, a measure of responsibility for the current state of training rests with successive Governments. Governments have been content, in the main, to leave training to industry, and have not fully recognised their own responsibility for ensuring that the training system as a whole operates effectively. Nor has the necessary Government intervention always been available to help meet long-term needs to which industry alone is unable to respond or to assist firms to assess and meet their training needs, either individually or collectively.

21 Given our indifferent economic performance, the increasing competitiveness of international markets and the demands of new technology, nothing less than a fundamental change of attitude and approach is required. All who carry responsibility for training need to understand the full nature of the contribution training must make and what that means in terms of change and development in our present arrangements. There needs to be a consensus about the action which employers, trade unions, the education service, training bodies and the Government itself will take. Success will demand sustained action over a long period.

Moves in the Right Direction

22 Despite the weaknesses described above, there have been important developments which point the way ahead. These start with local links with employers and taken part in schemes promoted by the Schools Council, the CBI and others to enable pupils to gain greater insights into the world of work and the demands it will make on them. The city and Guilds of London Institute has developed its foundation course for pupils intending to enter employment on reaching the minimum school leaving age. The Business Education Council, Technician Education Council and other bodies and individual colleges offer one-year pre-vocational courses and the Government has recently published a discussion document, "Examinations 16-18", announcing the intention to develop and implement a system of such courses and examinations for young people who wish to enter employment at 17+ without taking 'A' levels. This follows the Further Education Curriculum Review and Development Unit's report "A Basis for Choice" which proposed that pre-vocational courses might be developed. Given also the continuing interest in developing a basic framework for the secondary school curriculum up to 16, much is happening to give effect to the Government's wish for pupils to be prepared as thoroughly as possible before they enter the transition from school to employment.

23 In Scotland the 'Education for the Industrial Society project' now in the fourth year of its 5 year term, aims to prepare pupils for life and work in an industrial society. The Government curriculum and assessment development programme, designed to lead to the superseding of the SCE 'O' grade (the Scottish 16 plus examination) in 1986, is devising foundation level multi-disciplinary courses for the least able pupils.

24 Since 1976 there has been an expanding experimental programme - the Unified Vocational Preparation or "UVVP" Programme supported jointly by the Manpower Services Commission and Education Departments, whose purpose is to give planned vocational

preparation to young people entering work in circumstances where hitherto little or no training would have been available. The aims of this programme were further spelled out in "A Better Start in Working Life" (published in 1979), a consultative document from which the Government received a valuable response. The numbers at present involved in UVP are small - 3500 young people in the current year - but the results so far have been very encouraging. The employers concerned consider that improvements in the motivation and performance of young people justify the effort and young people themselves respond well. There is no less enthusiasm from the further education colleges and the Industrial Training Boards which have contributed. The Government has already agreed to the expansion of the programme to provide places for 20,000 trainees by 1984.

25 Unemployment affects young people especially severely, and for this reason the Manpower Services Commission has been running a very large Youth Opportunities Programme designed to provide work experience and training for young people who would otherwise be unemployed. In 1980-81 the number of "starts" in YOP schemes has exceeded 300,000. Sponsors providing schemes have been encouraged to develop their own approaches to meeting young people's needs and new forms of provision - including training in life and social skills and training workshops which combine training with productive work - have been widely developed, drawing in both the further education service and voluntary organisations.

26 The Youth Opportunities Programme is to be expanded still further in 1981-82 to enable about 440,000 starts to be made in the year. It is intended to provide all 16 and 17 year olds who have left school and cannot get jobs with the opportunity of work experience and training under the programme. Particular attention is being given to improving the quality of the programme, the intention being to enable individuals to progress by means of different opportunities in ways which best suit their particular needs and which will contribute most to developing their employability. In 1981-82 it is possible that as many as 1 in 3 of all school-leavers will enter the programme. From being marginal provider of a substitute for a job for a

relatively small proportion of unemployed young people, but becoming a very large-scale provider of planned work experience and training for a substantial proportion of young entrants to employment. In its scale and implications it is therefore a development of great significance for the future.

27 Some Industrial Training Boards have been responsible for big improvements in the quality of apprentice training, and firms now accept a substantial period of off-the-job training, followed by planned work experience coupled with further "modules" of off-the-job training as a means of giving apprentices a wide range of skill based on a solid foundation of theoretical knowledge. The Manpower Services Commission has given financial support for apprentice training in recent years to minimise the effects of higher unemployment and this has enabled intakes to be kept more nearly in line with long-term prospects. This year some 25,000 young people undergoing apprenticeship and other forms of long-term training are receiving support from public funds.

28 Publicly funded opportunities for adults who are employed or willing to give up their jobs to train have greatly expanded in the last decade through the Training Opportunities Scheme. The annual numbers completing TOPS courses are at present expected to level off at about 56000. One highly significant use of TOPS is to enable people to train in computing and other skills for which demand is growing much faster than training provision by employers. In addition the Manpower Services Commission provides industry with certain direct training services on repayment, the number of annual completions now being about 30,000. These services fill gaps in employer training provision which would not be likely to be filled otherwise and certainly not so efficiently.

29 It is also of prime importance that the country now has training institutions with considerable experience in setting standards and developing courses to meet the needs of industry. Taken together with the further education service, and such bodies as the City and Guilds of London Institute, the

Society of Arts and the more recently established Councils for Technician Education and Business Education and their Scottish counterparts, the country possesses skilled professional resources well able to make effective a new approach to training, once there is national commitment to it.

### The Future Objectives

30. What should the objectives of a new approach be? They must be sufficiently far-reaching to enable the problems described earlier in this paper to be overcome. They must be set sufficiently far ahead in time to enable the large gap between present provision and future needs to be filled. They must be sufficiently realistic to be attainable in practice, but at the same time sufficiently bold to catch the imagination and give a new initiative the impetus it needs to succeed.

31. It is proposed that the objectives should be:

(1) to ensure that by 1990 all 16 and 17 year olds have the opportunity to undertake either full-time education or a traineeship which combines work and work-related training and education;

(2) to secure that young entrants and adults are able to train to recognised standards related to the skills required in jobs;

(3) to open up widespread opportunities for people - whether employed, unemployed or returning to work - to increase or up-date their skills and knowledge during the course of their working lives.

32. The sections which follow discuss the action required to give effect to these objectives both in the immediate future and in the longer-term. Much that has to be done requires co-operation between several parties, and the lead sometimes rests with employers acting in co-operation with trade unions and sometimes with the Government, the Manpower Services Commission or the education service. At various points alternative approaches are possible, some requiring more and some less public intervention and support, and choices between statutory and purely voluntary mechanisms arise. There are also important choices to be made about different types of institutional machinery. The Government and the Manpower Services Commission would particularly welcome views on the various options examined.

## FOUNDATION TRAINING AND TRAINEESHIPS - THE FIRST OBJECTIVE

### Basic Approach

34 The first part of this consultative document has developed the case for giving young people a better preparation for work. It has acknowledged that more can and should be done within schools by way of vocational preparation.

35 Schools already play a key role in preparing young people for work, and this issue has been a central concern of the Education Departments in recent initiatives such as consideration of the shape of the secondary school curriculum and the proposal for a vocationally - oriented 17+ examination. Whilst the development of traineeships can usefully build on such foundations, they must take vocational preparation a stage further into the real world of work - where most of it must happen - and utilise fully the links which the further education sector has built up with industry and the industry training bodies through sandwich, block release and day release provision.

36 The experience gained in UVP and YOP and the weight of evidence received in response to "A Better Start in Working Life" confirm that work-centred training is an essential complement to what can be achieved within the schools. This section therefore considers what this initial or "foundation" training should aim to achieve and how we might introduce such training.

37 We must first be clear what is the essential purpose of foundation training. It is to:

- (1) enable the young person to adapt successfully to the demands of employment;
- (2) give a reasonable appreciation of the industry, business and training etc in which he or she will be working;
- (3) develop the fundamental skills - personal, social, technical etc - which will equip the young person to achieve reasonable standards of performance and
- (4) assess and provide opportunities for development of the young person's potential.

38 These are necessarily very general objectives. The nature, content, duration

and conditions of foundation training will vary from industry to industry, from company to company and from occupation to occupation. Foundation trainees will, of course, be working and producing during the traineeship. The exact structure and content of the traineeship will need to reflect the needs of the employer and the nature of the trainee's occupation as well the needs of the individual trainee. But there are certain essential elements which should find a place in the foundation training provided for any 16 or 17 year old.

39 What should a foundation traineeship consist of?

The following basic constituents are suggested for consideration:-

- (1) a foundation traineeship should normally last at least one year;
  - (2) it should include the following integrated elements:
    - induction to employment;
    - life and social skills training;
    - substantial planned work experience;
    - occupationally based training;
    - further education;
  - (3) employers should nominate a responsible officer to take overall responsibility for young trainees and to provide advice and personal support;
  - (4) training - whether in-company or in a college - should be provided by competent trainers, full or part time;
  - (5) satisfactory completion of a traineeship should be recognised by appropriate certification;
  - (6) foundation training should be designed to enable young people to continue with further training for different or more demanding jobs, as far as their capacity and foreseeable job opportunities permit.
- 40 A foundation traineeship on these lines will provide a better bridge between full-time education and full-time employment. It will have considerable value in confirming an individual's occupational choice. It will stimulate a great improvement in the motivation and performance of young people at work as well as giving the employer the chance to assess a young recruit's potential for further training

and development. It will both widen the field from which employers now select people for skilled work and give many who do not now enjoy it the benefit of progressive development. These are advantages which have appeal for employers, trade unions and young trainees alike.

41 Individual trainees will be assessed by employers, industry bodies, Colleges of Further Education, or other educational or training institutions, and will be given a certificate on completion of the traineeship. The certificate will give a rounded profile of the strengths and weaknesses of the trainee, including areas of work experience, aptitudes and interests, as well as more conventional judgements of ability and attainment.

42 Annex 4 gives some examples of schemes which have already been developed and which contain many of the characteristics defined above.

#### The Way Forward

43 Various questions arise in determining how to carry this concept forward:

- (a) who should bear the costs?
- (b) how should schemes be developed, validated, monitored and supervised?
- (c) how can industrial, educational and other interests best be brought together at local level?
- (d) what role might there be for legislation, for example to underpin the right to undertake a traineeship?

#### Financing the Scheme

44 The benefits of a well designed foundation course flow to the employer, the individual, to industry and to society at large. The report by the National Foundation for Educational Research on the UVP pilot programme showed that employers considered that the improvements in motivation and performance of their young employees justify the effort involved. Industry also benefits by having a more adaptable young workforce capable of more rapid development and change to keep pace with its own and society ultimately benefits from improved industrial performance. The NFER report also indicated that young people too respond well and benefit from the encouragement and improved opportunities. Training almost always benefits the individual trained, and it is right that those receiving proper training should be

prepared to forego immediate income in return for the expectation of better paid and more secure employment to come. Against this background it would seem reasonable to distribute the costs amongst the beneficiaries.

45 It is quite clear that foundation traineeships will have significant short term costs to the employer. The trainee is not fully productive and output will be least when he or she is away from the job. Close supervision is also required. It is a long established practice that the initial training of young people through apprenticeships and other forms of long term training is in effect partly financed by the young person by the acceptance of lower pay. It seems right that this same principle should apply to foundation training and collective agreements provide the obvious vehicle for securing this. The Government and MSC expect employers (both public and private) and trade unions to take this forward by providing in their agreements for an appropriately lower level of pay for trainees.

46 The Government accepts that the wider economic and social benefits deriving from well-planned and well-directed traineeships call for a measure of public support for their development. As noted above, both YOP and UVP involve a major commitment of exchequer funding to programmes with substantially similar aims to foundation training for young people. The funding basis for these 2 programmes is quite different and reflects the different "target" populations of UVP (employed young people) and YOP (unemployed young people). But the overall result should be a substantial stimulus to innovation and experiment, and a large increase in the numbers of young people who benefit from structured work experience, training and associated further education.

47 Over the next 3 years the Government have committed substantial resources to enable these two programmes to be expanded. If there is general agreement on the foundation traineeship proposal, these programmes can be developed in that direction so as to afford a sound base from which to launch a rapid expansion thereafter to attain the objective of a comprehensive system by 1990. It should be possible to develop an experimental traineeship programme from within these resources, for example by exploring with a few local authorities ways of mobilising the resources of local industry, the local authorities and MSC in expanding the provision of training for young people. These discussions should both highlight some of the more difficult and contentious problems as well as lead to some practical operational trials on the ground. It will then be necessary to review the position and to consider what (if any) longer-term financial support the Government should offer to secure comprehensive coverage.

47A The Government believe that their role is mainly to ensure that appropriate structures are available for industry to use. It is normally for industry which reaps the benefits, to bear the costs, although it is for industry to contribute through taking lower pay. The obvious exception is training for unemployed people, where training costs are borne by the state. Training of their own workers is for firms to finance, though the Government recognises that along with the voluntary approach there may be case for some financial incentives, even if only to prime the pump for a period. It is for consideration whether some provision of this kind is appropriate, and what form it might most usefully take if given.

48 It may be thought that an appropriate contribution would be for the Government to provide the necessary further education (or off-the-job training) and

training) within the traineeship. But it may be preferable, if financial support is to be given by the Government - even as pump-priming - for it to take the form of a grant direct to employers, for example to compensate them for time which trainees spend on education and training off-the-job; or there might be a standard weekly sum payable to the employer for the duration of a traineeship. The Government and MSC would welcome views both on this whole question of public financial support for the traineeship programme and on the relative efficacy of the different ways in which it might be given. It must be the aim to achieve the desired results without an undue burden on the taxpayer and without detracting from the responsibility of industry for meeting its own needs.

#### Development and Monitoring of Traineeships

49 Arrangements must be made to assist industries with the development of schemes and the monitoring of standards to ensure that schemes contain to the basic elements. It is right to look to industry training bodies to develop models of training suitable to the needs of their industries and to set or adopt appropriate standards. The efficiency of existing bodies to carry out these tasks is under review in the MSC's current examination of sector arrangements.

50 Especially if Exchequer funding is involved, there may have to be a central body:

- (a) to establish firm criteria for approved traineeship schemes;
- (b) to assist industry bodies in developing model schemes;
- (c) to help administer any national scheme of "recognition" or "certification" of satisfactory completion of a traineeship;
- (d) to supervise public expenditure.

It would be appropriate for this body to operate under the auspices of the MSC, but with the full participation of education and industry interests.

51 There will be a need also for a local organisation, because the majority of traineeship schemes will be based in, and recruit from, the local labour market. Their quality will depend in large part on effectiveness of communication and co-operation between local industry and Local Education Authorities. Though industry bodies may lead the way, and may be able to provide local services, there will almost certainly need to be a local axis to much development and planning work. How is this

most effectively organised, with minimal bureaucracy and maximum acceptability. Perhaps the best way of developing the organisation required would be from a model already provided, of MSC District Manpower Committees and/or Special Programme Boards. The latter already have considerable relevant experience in handling such schemes, and both could provide the necessary full involvement of Local Education Authorities as well as local industrial interests. There are other possibilities. The Careers Service already has important statutory duties in this field: could its role be enhanced? Might new Local Education Authority machinery be devised?

### The Case for Legislation

52 The impulse of the various initiatives outlined above should ensure steady rapid progress towards the 1990 objective. But some will argue that it is necessary to rely on essentially voluntary efforts; and that there needs to be legislation underpinning of voluntarism if we are to achieve comprehensive provision for all 16 and 17 year olds. How strong is the case for legislation? And what would it take?

53 The main arguments for legislation might be summarised as follows:

(1) it is inequitable, and wasteful of our manpower potential, for significant numbers of young people to be denied the opportunity of training;

(2) many employers are dissuaded from investing in training by the cost or fear that their competitors will not do so;

(3) insofar as voluntary training efforts are inadequate, there is considerable pressure on the Government to step in - thereby increasing the overall tax burden;

(4) the leverage provided by the Employment and Training Act has been found to be insufficient to secure adequate training for even a majority of school leavers;

(5) radical change is urgent, and quick action to introduce a comprehensive system of this kind needs legislation.

54 If these arguments are thought to be persuasive, several legislative approaches are possible (and any of them could, in principle, be enacted in such a way that the law took effect only after a given date or at the discretion of the Government or Parliament):

(1) any employer recruiting a 16/17 year old for full-time employment would be contractually bound to provide an approved form of traineeship - and any young person entering such a traineeship would have a rate of pay or allowance which reflected his or her trainee status;

(2) a central statutory fund might be established through employer and/or Government contributions out of which "national" traineeships could be available to any young person who did not have the opportunity of an approved traineeship in normal employment. Any employer providing approved traineeships might be exempt from liability to contribute to the national fund;

(3) raise the age of entry to "normal" employment to, say, 17 plus (or one year after leaving school) and require all 16/17 year olds to undertake either full-time education, an approved traineeship offered by an employer or a work preparation year (based on a school or College of Further Education or community centre). It would not be permissible for a school-leaver to enter employment, or an employer to engage a young school-leaver in the normal way.

55 Clearly each of these approaches has disadvantages, as well as advantages, as has any form of legal compulsion. The question which this document poses is: are these disadvantages outweighed by the inadequacies of an entirely voluntary approach, and in what ways could the disadvantages of compulsion be minimised?

### Conclusion

56 In this section we have discussed how to ensure that young people entering the labour market are properly equipped with the basic skills they will need during their working lives. In the next section we consider how both young people and adults can best acquire the more advanced skills which will be needed over the present decade and beyond.

Basic Approach

57. We are concerned in this section with the ways in which people with suitable qualities, experience and basic training (including a foundation traineeship of the kind discussed above) are equipped with the specific skills and knowledge to perform competently in their chosen vocation. We are also concerned to ensure that opportunities to undertake "training for skills" should not be unnecessarily restricted to people of a particular age or stage in their working life. That is why the second key training objective <sup>(paragraph 31)</sup> emphasises training to recognised standards and opportunities of access to training to achieve those standards. By training for skill we intend to cover all occupations and jobs calling for a significant amount of planned training and associated experience and education in order to achieve the required degree of competence. It is by no means restricted to those (mainly manual) to which the normal entry route is an apprenticeship.

58. Training to standards will involve acceptance by industry - both employers and employees - of the following principles:-

(1) there should be objective standards of performance, often - but not necessarily always - measured through formal tests taken at the conclusion of the training period;

(2) the standards should be recognised in all the industries and establishments in which the occupation exists as qualifying people for access to jobs at that level;

(3) training courses should be designed to secure, for each individual trainee, the most rapid and efficient progress towards that standard which is attainable. This will often involve the implementation of modular approaches to training which enable the individual or the employer to build on the skills and experience already gained.

59. In many occupational areas these principles are already well-established, especially in newer occupations (notably in the service sector), in the armed forces and in occupations in which the essential qualifications are obtained through further or higher education.

60 The crucial importance of training to a standard is fourfold. It should:

- (a) serve as a control on the quality of training provided;
- (b) act as a spur or incentive to the trainee;
- (c) promote a higher general level of competence;
- (d) facilitate the matching of people to jobs.

61 Once objective standards are established, moreover, the route by which a person achieves the standard becomes less significant and the possibility opens up of developing (with appropriate safeguards for the legitimate interests of employers and employees) training paths of different kinds and lengths to meet the needs of different individuals at different points in their career. We do not envisage the proper application of these standards should unnecessarily restrict the field of choice of either the employer or the individual. For example, young entrants aged 18 who have undertaken a vocationally-relevant course of further education should have access to training provision which takes adequate account of this. The flexibility envisaged should, however, enable the country to make far better use of the potential of its work force. The defining of standards should also encourage reappraisal of the length of training periods, and lead to new ways of achieving required levels of competence more speedily.

#### The Way Forward

62 The first step must be to establish objective standards of performance to which trainees can work. In many cases such standards already exist. Industrial Training Boards and other joint training bodies, professional institutions, the City and Guilds of London Institute, the Royal Society of Arts, and the Technician and Business Education Councils (and their Scottish counterparts) have all been concerned with the MSC itself in developing standards for adoption by industry, and a measure of success has been achieved. As "Outlook on Training" noted, however, it is still common in industry for standard national tests to be taken by trainees at the end of their training. The task here is therefore to convert today's best practice to the common practice of tomorrow.

63 The Industrial Training Boards and other bodies have also done a great deal of development work embodying standards of competence into training course design. In many skilled and higher level occupations there now exist soundly structured and

efficient courses of training and work experience leading to the achievement of recognised standards. The proposed new chartered body for the engineering profession should give a fresh impetus to standards of "formation" of professional engineers and technicians. It is, however, the case that for many occupations, and most particularly the skilled manual trades, these courses are not accepted - or not fully implemented - by industry. This is partly because in these trades there are long established procedures connected with apprenticeship which make attainment of skilled status dependent on the time served under apprenticeship rather than on the standard of competence reached.

64 There is a need for standard-setting bodies not only to establish standards in relation to defined levels or types of skills but also to create and supervise machinery for certifying that individuals have reached the appropriate standards; and possibly also to validate the training courses preparing employees for skilled occupations. Where statutory or voluntary joint industry training bodies exist, they should be well-placed to establish suitable agencies under their sponsorship to set and assess standards. Elsewhere a new focus may have to be provided. It is possible that such bodies as the Business and Technician Education Councils (and their Scottish equivalents), CGLI and RSA could play a significant part as agents for industry.

65 It is proposed that the MSC should oversee the development and monitoring of training to standards. It would be its task to identify any gaps and to ensure consistency in provision. It is envisaged that it would do this by the financing of standard setting/vetting bodies, for example by meeting a proportion of the fee charged for every individual assessed by an approved "standards" body or by defraying part of the administrative expenses of such a body.

66 But it is not enough to see that objective standards are being set for training. Industry must adopt the "training to standards" approach and introduce the greater measure of flexibility advocated in this document. It is proposed that MSC should achieve this by MSC financial support under its "Training for Skills" programme (TSPA) being progressively directed towards encouragement of innovations in (e.g) apprenticeship arrangements which are consistent with this approach. This would mean that, in time, support for first year apprentice training as such would become part of any general scheme for helping foundation traineeships; and apprentice training would attract grants only to the extent that it incorporated the elements outlined in paragraph 39 above.

67 The timing of any change in support for apprentice training would clearly have to take account of the need to sustain, in the current recession, an adequate number of young trainees. But looking ahead beyond the next year or two, it would seem appropriate to encourage the development of the traditional apprenticeship in two directions: first as a part of the foundation training provision for young entrants to the labour market; and secondly as a means of providing a wide range of more advanced or specialised skill modules available to suitable trainees of more years with the right qualifications, experience and motivation.

68 It is necessary to establish where MSC needs to give the stimulus and support required to achieve these aims. For this purpose MSC are inviting organisations to take responsibility for industrial training in all major industries to report (by the Spring of 1982) on what positive steps they are taking to reform existing arrangements. In the light of these responses the MSC will make financial and other assistance available to facilitate the development and adoption of training standards by industry and progress will be reviewed by the Government and MSC in 1983/84.

#### The Case for Legislation

69 Though it is right to place great importance on voluntary agreements and institutions, there is a continuing role for statutory underpinning of voluntary efforts - through the ITBs - in key industries. An Employment and Training Bill already before Parliament, to provide the basis for such statutory provision in the future and the Government will be reaching decisions later this year in the light of a review by the MSC of the arrangements in each sector for promoting industrial training.

70 In the longer term it may be necessary to consider whether the influence that can be exerted by ITBs and voluntary bodies is sufficient to secure reforms of the kind needed to achieve training to standards. Some other countries - Germany the best known example - have thought it essential to give statutory force to standards and tests drawn up for each of a large number of defined trades. Any employer employing an apprentice in one of these trades is consequently bound to follow the standards and prepare the young person for the trade test. To follow the voluntary approach is to believe that Britain can achieve substantially the same result without statutory prescription: there are some who would argue for a statutory approach strengthened.

#### Conclusion

71 What is certain is that our present system of initial skill training, particularly in long-established industrial craft skills, is not suitable without modification for training in situations of economic uncertainty and rapid technological advance. It is no longer possible to proceed on the assumption that industry's skill needs 15 years hence are capable of being met by Government, MSC, industry bodies or individual employers arranging the level of annual intakes of 16 year old skill trainees that many years in advance. Only by strengthening standards, broadening the range of skill entrants and by tailoring courses to training need and individual ability, can industry's needs be secured.

Basic Approach

72 Though employers must continue to seek for skilled work trainees amongst the newest entrants to the labour market it is essential that they are also ready to meet skill needs through adult training and re-training in order to keep pace with market and technological change and respond to changes in demand in the labour market. Workers, too, will increasingly need or want to update or increase their skills, or learn new ones, in the course of their working lives. In face of rapid technological change, all workers will need recurrent training in order to cope with the changing demands placed upon them, while others will need constantly to add to their stock of competences in order to retain or regain worthwhile and rewarding employment. The developments we have discussed thus far will make it easier for adults to acquire and use job-related skills, but only to the extent that training opportunities are actually available to them. This section considers how the access of adults - particularly employed adults, the great majority of the workforce - to training can be increased.

73 The opening up of widespread training and retraining opportunities for adults depends on the acceptance and application, often within the framework of collective agreements, of the following principles:

- (1) Recognised standards of competence should replace other criteria in determining access to jobs or to training for jobs;
- (2) attainment of these standards should be open to people who have acquired a skill through experience, or through various mixtures of experience and different types of training;
- (3) a wide range of training options should be developed and made available to give adults the opportunity to enhance, update or change their skills or improve their performance so as to adapt to new demands and to progress in their careers to more responsible work; and
- (4) employers should encourage and assist employees to develop their abilities.

74 There are important sectors of industry where this approach will call for a fundamental change in attitudes and for the embodiment of a new approach in collective agreements. It will require acceptance by some trade unions of a more open entry to certain skilled occupations which have hitherto largely been the exclusive preserve of time served apprentices. It will at the same time call for recognition by employers of the need to pay more for more highly skilled and responsible jobs, and also of the need to provide for an intake of young trainees based upon a proper estimate of demand in the medium and longer term. Among employers and employees alike, the approach will require a greater emphasis on the idea of development throughout an individual's working life and the existence of means, often but not necessarily publicly supported, to achieve this as necessary through training to appropriate standards.

The Way Forward

75 Such change must be achieved mainly through the instrument of industry or company level collective agreements. Progress will depend on positive initiatives by individual employers and trade unions representing their employees, who are best placed to work out the kind of arrangements which are appropriate for their own circumstances. It is above all for employers to recognise the critical importance to their own competitiveness of enabling managers, specialist staff and employees in general - whether white collar or manual - to develop their abilities through further training. Some firms already operate manpower policies which define opportunities for progression and enable the needs of employees for training to be identified and met. This is backed up by works councils or consultative committees which enable employees' own wishes and perceptions to be fully taken into account. It is time for this approach to be adopted more widely and for the Manpower Services Commission, working together with industry training bodies, to promote it actively.

76 The Government, for its part, acknowledges that it has an important responsibility and opportunity to encourage opportunities for adult training; first, by provision for adult vocational education within the education service; secondly, by support for the TOPS programme; thirdly, through the influence it can have on the plans of industry training bodies, for example by grants offered under the Commission's Training for Skills programme; fourthly, by what Government does as an employer, and finally by the stimulus it can give to innovations in training methods and approaches.

77 As regards the provision of adult vocational education within the education service, the Department of Education and Science within the a consultative document on "Continuing Education". This document raised the question of how to ensure that the increasing need for post-experience vocational education could effectively be met by the education service through identifying and overcoming any institutional hindrances to the meeting of those needs (such as factors which might discourage the provision of part-time, possibly tailor-made, courses which might not lead to a qualification, as against more conventional full-time courses). This document attracted considerable interest and the responses are at present being evaluated.

78 In its Corporate Plan for 1981-85, the Commission has made provision for the training of between 55,000-60,000 adults in a wide range of skills under its Training Opportunities scheme (TOPS) in addition to the provision under the Training for Skills Programme (TSPA). This is a significant contribution to meeting the country's needs for skilled people and to satisfying the aspirations of unemployed adults. The Commission and the Government will, however, keep under review the level of provision under review (both in regard to overall opportunities and the range of training provided); and will consider, within resource constraints, whether it may be necessary to provide increased opportunities in order to assist unemployed people to adapt to the larger scale structural changes now taking place in many industries and regions. Amongst the questions which will be considered are how entry to TOPS courses should be opened up to anyone aged 18 or more; whether the TOPS programme should be supplemented by offering, in selective occupations, a contribution towards the fees paid by adults who choose to undergo training on courses which are not sponsored by TOPS; and the possibility of further expanding where appropriate the MSC's Direct Training Services to employers. The MSC will also examine afresh the possibility of subsidising training provided by employers for those of their employees who are about to become redundant. The Government and MSC are also considering the scope for making "Open Learning" opportunities more widely available, and this "Open Tech" concept is discussed below.

79 As a major employer, the Government - and the public service more generally - is well placed to give a strong lead in the development of adult training programmes and initiatives in respect of its own staff. The Government and the major Departments and nationalised industries have an extensive

reservoir of experience and expertise in training at all levels and in virtually the whole range of occupations. The Government will consider in conjunction with MSC how best to make use of the opportunities in these sectors.

80 In the longer term links will be developed between training provided by TOPS and modular training provided elsewhere. This provision of links within an overall framework will help individuals to follow paths of career development without the insecurity attached to the present arrangements. It would in due course be possible to start with a foundation traineeship and progress through successive levels of training to employment at technician level or above.

#### Development and Monitoring of Adult Opportunities

81 The standard-setting bodies discussed in the preceding section will have the main responsibility for seeing that suitable skill modules are developed and made available to adults, and MSC financial support will be contingent on sufficient progress being made, particularly by the time of the review in 1983/84. This work will complement the MSC's continuing work in devising and implementing skill courses for adults under the Training Opportunities Scheme.

#### The "Open Tech"

82 Though the overwhelming need is for employers and employee representatives jointly to open up greater access for adults to training opportunities, there is another aspect to the question. Over the last 20 years, mainly because full-time and part-time day provision has increased, the opportunities for adults to gain craft or technician qualifications through part-time study have declined. At present many courses are not geographically accessible or cannot easily be provided at times to meet the convenience of prospective trainees. It is widely recognised that there needs to be a more flexible approach to devising training to meet such needs; and this has led to the development of a variety of techniques to overcome or reduce the constraints associated with some existing provision. Some of these developments involve "distance learning" - that is, arrangements whereby the trainee is not in face-to-face contact with the teacher or trainer during much of the training. Advance in the design of teaching aids-including computers - has

greatly increased the opportunities to exploit "open learning" to access to training. The Government and the MSC therefore believe that the time is ripe to give a new thrust to innovation in this area and that this can best be achieved by establishing what might be called an "Open Tech Programme".

83 Such a programme would use the latest technology to make training much more widely available, particularly to those in full-time employment. It would enable adults to shape and develop their careers, progressing to higher levels of skill and responsibility. It would be of major assistance to firms, particularly small firms, which are not always able to release employees for conventional training courses. And it would build on the many recent related developments such as the increasing flexibility and accessibility of telecommunications and the educational programmes devised by the Independent Broadcasting Authority.

84 The main purposes of this proposed new programme would be to:

(1) identify key occupational training areas where open learning systems might contribute most effectively to meeting skill needs and to making training provision more readily accessible;

(2) stimulate and commission projects to devise and test open learning systems and training "packages" which will help to meet the needs identified in (1);

(3) assist the providers of open learning courses to ensure that information about what they can offer is conveniently available to their prospective customers (mainly employers and employees);

(4) help co-ordinate the efforts of different institutions (colleges, examining bodies, etc) who may have a valuable contribution to make in designing and delivering open learning courses.

85 There is an obvious and growing need for training at what might be described as technician and junior managerial levels - occupations where there is a significant, and often rapidly changing, technical knowledge requirement; and where training provision (for adults at least) is generally under-developed or under-utilised. It is expected that, initially at least, the resources of an "Open Tech" programme will be mainly concentrated in the occupational area.

86 This programme would, it is envisaged, be run by a special unit, under MSC auspices and in partnership with the education service and industrial interests. Its costs would be publicly - financed, subject to some recovery through fees charged to those who used its services. Its costs are estimated at £6-10 million annually.

87 It is no part of the Government's intention that all work on developing open learning - even within the technician area - should come within the ambit of the "Open Tech" programme. Still less does the Government propose that the suggested special unit should supervise or finance the wide variety of activity - in the education service and elsewhere - which is now going on. It is hoped rather to give a fillip to this activity as well as helping to ensure that people who might benefit get to know about it. To that end, the MSC will shortly be publishing a discussion paper on the "Open Tech" concept.

#### NEXT STEPS

88 The Government and the Manpower Services Commission invite all those who have a responsibility for or an interest in manpower, education and training to consider this paper, to discuss its content with their colleagues and to submit their views either directly or through representative organisations. Your views on these proposals are important because they are likely to influence directly or indirectly the lives of everyone in Great Britain. Balancing the need for serious consideration against the requirement for action it has been agreed that the first major decisions should be taken in the Autumn. If you wish your views to be taken into account they should be submitted to MSC before / 30 September 1981/.

89 By Autumn 1981 the Employment and Training Act (Amendment) Bill should be on the statute book, and the sectoral review of industry training arrangements currently being undertaken at the Government's request by the MSC will be complete. By the end of the consultation period, therefore, the main contours of the national training arrangements which will help launch the new initiative will be clear. In the light of responses to this document the MSC and Government will promulgate a programme of action setting a clear direction to which all concerned with training will be invited to commit themselves.

90 Over the next two to three years the role of MSC will be to initiate action in a number of key areas, to assist with the development of pilot projects, to promote strategies of development along industry lines through the relevant industry training bodies, and to co-ordinate local approaches bringing together the various parties involved in local agreement on the content and design of schemes and in the

provision of education and training. The "Open Tech" concept will be developed as an integral part of those initiatives.

91 In 1983/84 the Government and MSC will review progress made on the three initiatives and decide what is then necessary to attain them. The Government and MSC believe that sufficient advance can be achieved through the voluntary co-operation of employers, employee representatives and the education and training services. If this does not prove the case, however, the possible role of legislation will need to be considered further.

92 The MSC will be responsible for ensuring that the initiatives are implemented and that information is available on progress towards objectives. During the pilot phase every project will be so designed as to incorporate adequate arrangements for monitoring and evaluation. Commissioners will be invited to review and evaluate progress at fixed intervals, to recommend corrective action where necessary and to inform the Secretary of State for Employment.

CONCLUSION

93 This document sets out an approach for establishing in the course of this decade much more effective and comprehensive training arrangements. Achievement of the proposed objectives will demand resolute commitment from employers, trade unions, the Education Service, the Government and the Manpower Services Commission. That commitment will have to be sustained over years before foundation training can be established for all 16-17 year olds who are entering employment. But this document makes clear that there is also much that can be done immediately to improve our response to providing the skills that the economy needs through greater flexibility in skill training both for young and adults. In both cases we have much experience to build on.

94 The Government and the Manpower Services Commission believe that this can be achieved largely within a voluntary framework provided that there is a positive involvement and commitment in support of voluntary efforts and agreements. The investment of resources required to achieve the proposed objectives is substantial, not least in the further education sector. The most important ingredient is not so much a sense of conviction: that investments in human ability in the ways proposed will pay for themselves many times over; and that failure to make the necessary investment will hinder economic revival, depress standards of living and hold back the generation of new jobs and the reduction of high unemployment.

- 1 Alternative Approaches to Occupational Training - France and West Germany
- 2 Economic and Occupational Trends
- 3 Traineeship diagram
- 4 Examples of Developments towards Traineeships
- 5 List of related publications (see page available)

ALTERNATIVE APPROACHES TO INITIAL OCCUPATIONAL TRAINING - FRANCE AND WEST GERMANYFRANCE

In France there is a national responsibility for the vocational training system, including the initial and subsequent training of young people and adults entering or already established in the employment field. The content and organisation of training are laid down by the national Government, much of it by law, but with considerable involvement of the social partners at regional and local level and reflecting agreements reached at national level between employer and trade union federations. Under laws of 1971 and 1978 all employees in France have the right to paid leave for education and training purposes.

Provision for 16-18 year old school leavers who have not yet found work and all unemployed workers over 18 is the responsibility of the State both in terms of facilities and finance. All other vocational training is financed jointly by the state and employers - the latter contribute through mandatory payroll taxes, one for training in general and the other specifically for apprentice training. In both cases the employer may be exempted from paying the tax if certain criteria are satisfied.

Much vocational education and training for young people is provided through the French school system. In 1978, 67% of young people eligible to leave school continued in full-time education - 27% receiving general education and 40% obtaining vocational education. A further 14% of young people entered apprenticeships, during which indenture, registration, day or block release at state run and financed training centres and final examinations are all compulsory. Only 19% of school leavers went directly into work or unemployment.

The French Government is particularly concerned to extend provision of vocational training to those young people who leave school with poor qualifications and little vocational orientation. Recent measures for this group (and some older workers) include state funded vocational preparation courses, 90% state funded periods of practical in-firm training and state subsidised "contracts of employment with training". Trainees under the first two measures above are not granted employee status during training.

The French Government has recently introduced legislation which will be fully implemented from 1 January 1982, for a system of vocational training for young persons up to the age of 23 and for other workers who have been employed for less than two years in the preceding five years. The aim is to provide systematic training at various levels in occupations by progressing through alternating periods of education/study and work training/experience, hence the title of the scheme "Alternance". Participants will include both employees and job seekers, (the latter financed by the State) and the scheme will be funded by government grants and revenue from increased taxes on employers.

#### WEST GERMANY

The national training system in West Germany demonstrates an effective combination of legislative provision and public co-operation.

The normal route to employment in West Germany is provided through the extensive apprenticeship system which is controlled through the Vocational Training Act 1969. Official Government policy is to make apprenticeships, normally lasting around 3 years, available to all young people seeking them, and in 1980, 50% of school leavers entered apprenticeships on finishing compulsory schooling. Apprenticeships are available in a wide range of occupations, and since 1969 the German Minister of Education has published an annual list of occupations (currently some 450) where apprentice-registrations and indenture are compulsory. The content of apprenticeship is prescribed by the Federal Government, and Chambers of Industry and Commerce (ie employers) are responsible for monitoring arrangements for apprentice training. Apprentices must include day or block release to general and vocational education provided by provincial governments, and final examinations, conducted by employers and trade unions jointly. The Federal Government provides practical and financial assistance to apprenticeships, by subsidising group training centres, providing equipment etc, but the greater costs are paid by employers. (Apprentice wages are agreed in collective bargaining; apprentice rates are less than half those of a skilled worker and are based on the stage of training reached.) Under the Training Place Promotion Law (1976), the Government is empowered to impose a levy on employers if the supply of training places is deemed insufficient; money raised through the levy would be used to provide the additional training

places required, but so far this mechanism has not been applied, and the Government, in consultation with the social partners and training authorities, are considering amendments to the existing provisions.

A substantial amount of vocational training and education is provided for young people through the school system. In 1980, over 40% of young people elected to remain in full-time education after completing the minimum compulsory school period. (Young people may leave school at 15 in West Germany). This included 25% who stayed in a full-time general education, and 18% who continued in full-time vocational education. This latter figure includes those 15 and 16 year olds undertaking the Basic Vocational Training Year (BVTY), which combines practical training and education related to one of 13 broad occupational fields.

In 1980, only 7% of young people failed to receive some further training or education after compulsory schooling by going directly into unskilled employment or becoming unemployed. The Federal Government has declared its aim of achieving full coverage of school leavers in the vocational training system, and intends, as a first step, to extend present provisions so that by 1982 only 3% of school leavers will not receive post-compulsory school training or education.

The training effort in West Germany continues beyond skilled worker level, and due to the extent of the apprentice system much subsequent training is dependent upon successful completion of an apprenticeship. Figures from the official Vocational Training Report show the effects of the German training effort - in 1979, 61.2% of the active labour force (Germans only) held some vocational training qualification.

#### Summary of activities of young people after compulsory

Year	school period				
	Full time general education	Full time vocational education	Apprenticeship	Work or unemployment	Other or unknown
France				19	-
West Germany	1978	27	40	14	-
Great Britain	1980	25	18*	50	-
	1977	32	10	14	-

\*Including pupils in first year basic vocational training in schools.

- 1 For the immediate future there is now substantial agreement among the main forecasting bodies that Britain is moving into the deepest depression of the post-war era, with employment consequences that may persist, to a greater or lesser extent, for much of the first half of the 1980's. This will mean a substantial growth in registered unemployment before this reaches peak figures, which are generally put within the 2-3 million range. Within this total, disadvantaged groups will be disproportionately affected, and particular difficulties experienced by would-be new entrants or re-entrants to the labour market, including school-leavers who normally constitute most of the entry into apprenticeships and traineeships.
- 2 Beyond the present depression prediction becomes more difficult, but several factors can be identified as making for recovery even though their relative importance may be debatable. However, these potential expansionary influences, will all take some time to work through the economy, so that recovery is bound to be relatively slow, even if circumstances were to permit any fairly early stimulus, and it seems prudent to allow for unemployment remaining above late 1970's levels throughout the first half of the 1980's, with full recovery not developing until the second half of the decade. This would not rule out an earlier tightening of the labour market for certain occupations linked to expanding industries or particularly sensitive to directional changes in the economy.
- 3 For the 1990's and beyond there seems an increasing likelihood of major qualitative changes in the economy. The pace of technological change should accelerate as investment projects then emerge from their lengthy gestation stages. Availability of new products may bring shifts in consumer expenditure patterns, and new productive processes may require increased redeployment of workers. Faster growth should stimulate development of new industries and the foundation of new business enterprises, which past experience has shown to be particularly sensitive to the emergence of new markets with economic expansion. The spread of present-day industrial capability to the currently less developed territories also seems likely to require further technological advances in Britain and other industrial countries.
- 4 For the 2000's several alternative scenarios can be sketched out. One is of a "post industrial society", but it is rather more likely that the benefits from

rising productivity and North Sea Oil will be used largely for advances in living standards, or for a more modest improvement in consumption allowing substantially increased investment in industrial regeneration, energy replacement and conservation, and associated redeployment of human resources.

5 What are the labour force implications of this view of the future?

Labour supply is largely determined by demographic factors until the mid-1990's. The entry of school-leavers is expected to decline steadily over this period, and the previous upswing will make its way through the age groups over the decade, giving a bulge in the 20+ age group during the 1980's and in the 30+ age group during the 1990's. Total numbers of working age should still show some increase, but the margin will become progressively narrower, and labour force changes will become increasingly dependent on variations in the proportion of the working age people who are economically active. Beyond the mid-90's the prospect becomes more uncertain because of the dependence of labour force entry upon children as yet unborn.

6 Qualitatively this labour force seems likely to show divergent trends in its educational and training content. Since the 1973 raising of the legal minimum school leaving age (and, indeed, since the preceding growth in voluntary staying-on), basic educational qualifications have been within reach of the vast majority of leavers, with a gradually cumulating effect on the balance of the labour force as successive tranches of better-prepared entrants passed through the age groups. This improvement, however, has been concentrated on the basic educational foundations rather than on any specific vocational competences, which are imparted only to a very limited, and probably diminishing, extent within compulsory education. Post-compulsory schooling, further and higher education also have been undertaken by rising proportions of the labour force entry, and the stock of the highly educated seem certain to continue rising. As with compulsory schooling, however, this increased stock will represent an enlarged base capable of receiving higher level vocational skills, rather than greater acquisition of specific vocational competences.

7 On the labour demand side, the dependence of demand upon economic forecasts introduces greater uncertainties, particularly beyond the mid-80's that represent the limit of the projections from the main forecasting models. Among these only the Warwick Manpower Research Group attempts much occupational detail. Its calculations show a continuation of the growth of service industries relative to manufacturing. Within each industry it foresees increasing managerial, professional and technician employment, reflecting growing organisational and technological complexity, with a corresponding fall in the more easily mechanisable

operative jobs. Craft level employment is seen as diminishing less, and with much of the decline concentrated upon non-transferable skills specific to particular declining industries. The overall effect is for non-manual occupations to expand to roughly half of total employment by the mid-80's. (Fig.1 occupational shares of total employment).

8 For the latter half of the 80's we would expect continuation and intensification of most of these changes if there were to be an economic recovery, though perhaps with a temporary reversal of the declining demand for engineering and construction crafts in view of the particular sensitivity of these industries to governments in capital investment. Any acceleration of the trend towards labour-saving machinery would mean increased employment demand in capital goods production, the overall effect of which would probably outweigh employment losses elsewhere in the economy, at least, during the initial years. (Figs. 2, 3 and 4). Cross-sector demands for engineering skills for maintenance of the more complex plant in other industries could continue rising relative to employment in the engineering industry proper - though this tendency might be partly offset by greater use of replacement components rather than increasingly costly repairs.

9 By the 90's the microelectronics revolution could have made considerable inroads into employment in the more routine clerical and distributive activities as well as in manufacturing processes with growth in non-manual occupations becoming more concentrated upon the non-repetitive programming, organising, R & D and personal service activities. Industries based on new technology and new products should constitute an increasing share of total employment demand, with likely growth areas including control engineering and perhaps also bio-technology for synthesis of some materials threatening supply problems. If this decade also sees substantial anticipatory investment in alternative energy supplies and material recycling this could add to skills demand, particularly in power, chemical and civil engineering.

10 How far these potential demands are actually reflected in increased employment in these areas will depend on supplies of appropriately qualified manpower, and thus on the responsiveness of the training system. Supply bottlenecks could impede technological change, slow down economic growth, and prevent employment reaching otherwise attainable levels. Avoidance of such bottlenecks seems likely to require modifications in the training system to improve its adaptive capacity and to provide faster response to the expected increasing pace of technological change. This indicates a shift towards periodic retraining and away from the concept of initial training for a lifetime career - a shift that is also necessary to accommodate the changing demographic balance of the labour force. Initial

training should provide a broader base for subsequent retraining, and for upgrading from craft to technician levels, rather than being directed only at a single vocational skill.

ANNEX 2, Fig. 1: OCCUPATIONAL SHARES OF TOTAL EMPLOYMENT

Occupational category	1961	Percentage of total employment			Difference between 1978 & 1985 percentage	Numbers 1979 thousands
		1971	1978 estimated	1985 projected		
Managers and administrators	6.6	7.8	8.7	9.6	+0.9	2,145
Information professions	2.3	3.1	3.8	4.0	+0.2	933
Other professions	2.5	3.2	3.8	4.6	+0.8	942
Other professions	1.9	1.9	2.2	2.5	+0.3	536
Arts, artistic and sports	1.2	1.4	1.7	2.2	+0.5	432
Professions and scientific	1.7	2.1	2.4	2.6	+0.2	577
Technicians and draughtsmen	1.8	2.1	2.4	2.7	+0.3	591
Other occupations	14.0	15.0	15.9	16.7	+0.8	3,919
Other occupations	5.6	5.4	5.5	5.4	-0.1	1,380
Managers and foremen (a)	0.7	0.5	0.4	0.4	0.0	105
Engineering craftsmen	9.0	9.5	9.1	8.7	-0.4	2,250
Other transferable craftsmen (b)	4.5	3.8	3.4	3.1	-0.3	628
Other transferable craftsmen (c)	0.2	4.2	3.5	2.6	-0.9	833
Other operatives (d)	3.2	3.1	2.7	2.3	-0.4	659
Other operatives (e)	22.9	20.4	18.5	15.3	-2.2	4,553
Other service occupations	1.0	1.3	1.2	1.3	+0.1	297
Other service occupations	8.9	10.5	11.2	12.1	+0.9	2,770
Other occupations	6.1	4.8	3.8	2.9	-0.9	921
Other	37.5	41.9	46.3	50.3	+4.0	11,435
Other	62.5	58.1	53.7	49.7	-4.0	13,228
Other economy (f)	100	100	100	100		24,663

Engineering and transport only

Other craftsmen in construction trades

Other craftsmen in the mining, glass, textiles and metal manufacturing industries

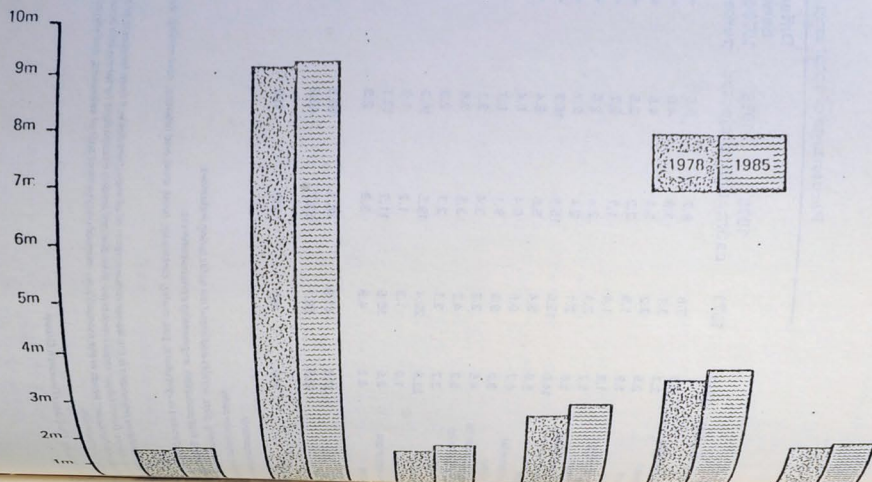
Other workers in printing, food production, engineering construction etc.

Other skilled and unskilled workers in agriculture, gas, water, electricity, food, drink and tobacco, coal mining, quarrying, leather industries etc. including RAF Forces.

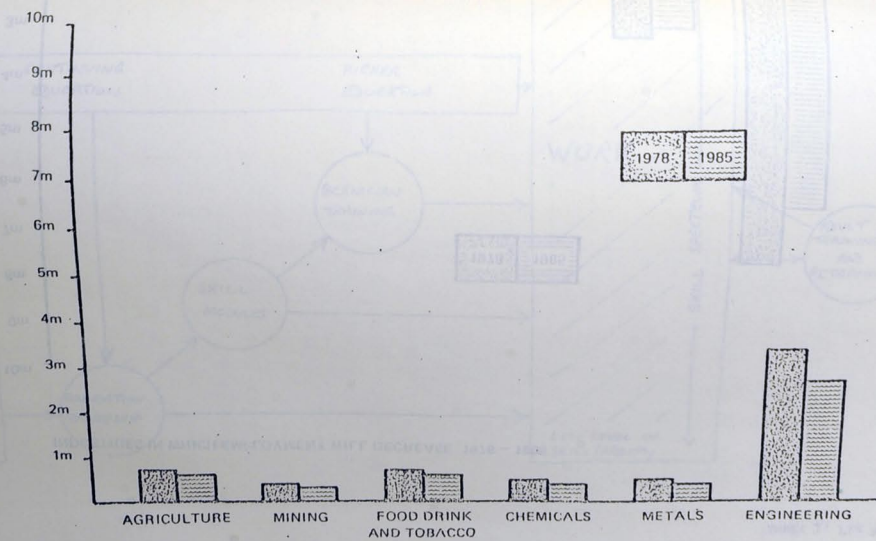
Notes: The occupational share projections in the labour requirements of all industries derived from forecasts of output changes, after allowing for the projected changes in the overall labour requirements are then divided among occupations by taking into account observed occupation shares in the Census of Population, trends in the manual/non-manual employment split of industries, and various other pieces of ad hoc information on occupational shares.

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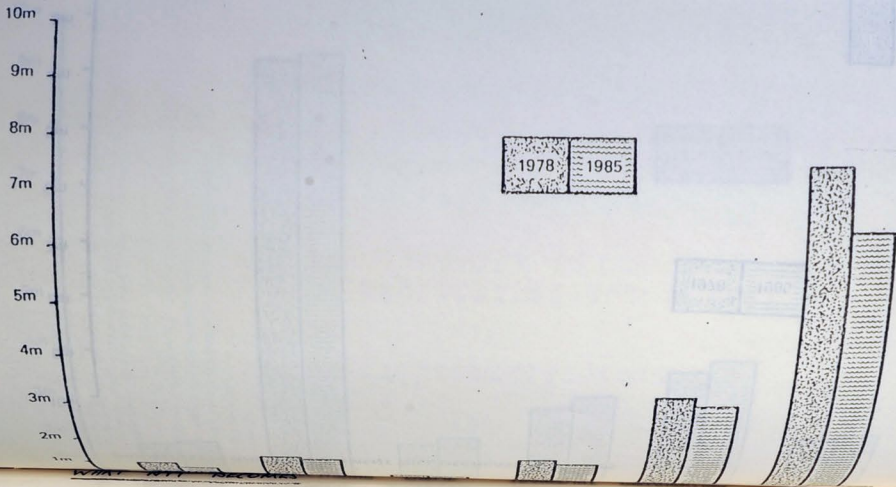
## INDUSTRIES IN WHICH EMPLOYMENT WILL INCREASE 1978 - 1985



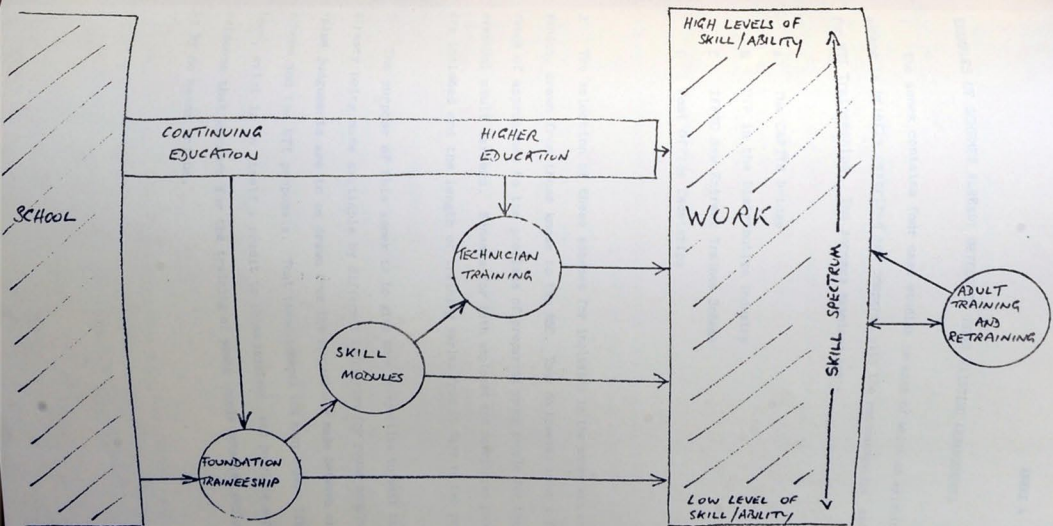
## INDUSTRIES IN WHICH EMPLOYMENT WILL DECREASE 1978 - 1985



INDUSTRIES IN WHICH EMPLOYMENT WILL DECREASE 1978 - 1985



16 → INCREASING AGE



## EXAMPLES OF SCHEMES ALREADY DEVELOPED UNDER EXISTING ARRANGEMENTS

1 The annex contains **four** case studies in each of which an existing scheme is briefly described and compared with the recommendation made for NTI Traineeships. The schemes examined are:-

- A The CAPITB Bridge
- B UVP in the Distributive Industry
- C IFFTC New Entrant Trainee Scheme
- D Post Office Cadetships

2 The selection of these schemes for inclusion in the annex was entirely random, drawn from those known to the MSC. They do however cover a fair range of approaches to the problems of preparing young people for their eventual adult careers. Schemes for both employed and unemployed people are included and the length of training varies from 60 days to two years.

3 The purpose of this annex is to give some perspective to what is already being made available by different industries for young people. No value judgements are to be drawn from the comparisons made between each scheme and the NTI proposals. That these schemes, and many others like them, exist is in itself a credit to those involved and provides ample evidence that concern for the training of young people entering employment is by no means unique.

## THE CHEMICAL AND ALLIED PRODUCTS ITB BRIDGE SCHEMES

A Brief Description

- 1 The Schemes are based on an integrated approach to helping young people in the transition from school to work with particular application to preparation for work in the CAP firms. These Schemes are designed to "carry" participants from the last three years of their schooling (13 to 16 years) across a period of off-the-job basic skill training, personal development and further education followed by work experience, into adult employment at 18 - see attached figure.
- 2 The basic components are :-
  - (a) Careers information aimed (i) at choice of science subjects  
(ii) jobs in the Chemical Industries.  
A tape/slide package has been produced in respect of (i) and a 22 minutes colour film "Formula for the Future" in respect of (ii). Work sampling has also been provided at a number of firms.
  - (b) Basic Training and Personal Development - Incorporated into the integrated courses of off-the-job basic skill training and further education run at four technical colleges in Manchester and two in East London are various opportunities to develop personalities and attitudes, viz two weeks training at selected Lake District Youth Centres, taking a first-aid course, a two-day personal presentation course in helping trainees present themselves for job interviews. Training packages and business games have been developed to help trainees understand how the various functions of a business are inter-related.
  - (c) Work Experience - During their one year off-the-job training the trainees spend a period in a firm to provide experience of the disciplines of industrial life.

Of these (b) and (c) are undertaken within a one-year Training Award Scheme at a CFE. The skills training programme is specified by the ITB and subject to certification while the FE element is to TEC, BEC or CCLI standards.

3 At present the college schemes cover the following courses :

- Applied biologists
- Chemical laboratory technicians
- Commercial workers
- Instrument technicians
- Process plant operators

Many of the entrants did not have the usual three or four 'O' levels required for their careers and at the end of the one-year training approximately 80% are found full-time employment. In 1979/80 sixty young people attended the five courses in the Greater Manchester area - the numbers being limited to the amount of grant available from the MSC. In addition, many hundreds of children were involved in the careers advice and work experience arrangements. A second Bridge began in September 1980 in East London.

4 One important factor is the status of the trainees who are not employed while crossing the 'Bridge'. This factor results in a generalised approach to the education and training elements of the scheme which while leading to a transferable qualification does not guarantee placement. It also requires considerable public funding and the lack of any wage/allowance may deter many young people who would prefer to be actually earning.

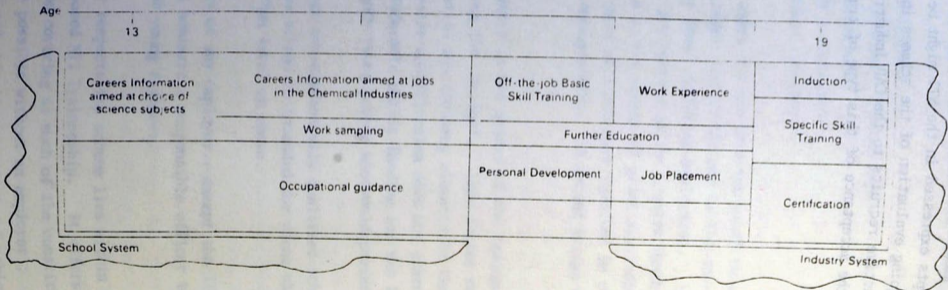
5 Secondly, although non-academically qualified school leavers are recruited, clearly the scheme is intended for those who will eventually seek employment at technician level or above.

6 Finally, the lack of any employer - except the ITB acting as a surrogate - makes it difficult to nominate a responsible officer to take overall responsibility for the young trainees.

7 However, in many respects the scheme lies within the same conceptual framework as the proposed NTI Traineeship. It offers a year of integrated vocational preparation covering as much of the constituent elements of the NTI Traineeship as is possible without an employer ; the training is provided by competent trainers and objective standards of achievement are required for certification.

8 The scheme therefore, makes a considerable contribution to our total knowledge of how the concepts expressed in the NTI might be put into practical use. An independent on-going evaluation of the schemes indicates that the trainees are proving attractive recruits to the CAP Industry and the schemes could do much to further the acceptance of this type of training/educative experience.

# THE "BRIDGE" BETWEEN SCHOOL AND INDUSTRY



## UVP SCHEMES FOR THE DISTRIBUTIVE INDUSTRY

## A BRIEF DESCRIPTION

1 The DITB has been one of the most active organisations involved in the piloting of Unified Vocational Preparation. As a result of the experience gained since 1977 they have now devised the model described below which has proved attractive to both employers and young people alike.

2 Trainees enter the scheme which entails 60 days of integrated education and training straight from school. No educational qualification is required and the purpose of the scheme is to enable young entrants to understand the Distributive industry and the firm in which they work; to develop inter-personal skills and to give them a foundation of skills and knowledge upon which further education and training can be built.

3 The basic components are

- |   |                |
|---|----------------|
| (a) Off-the-job sessions at a local centre                  | 7½ days        |
| (b) Assignments in preparation for the off-the-job sessions | 5½ days        |
| (c) Residential course in personal development              | 5-7 days       |
| (d) Training in basic job skills                            | 20 days        |
| (e) Job rotation to gain in-firm work experience            | <u>20 days</u> |
|   | 58-60 days     |

These elements are linked to provide a unified scheme which is agreed between the local CFE and the employer; in some cases employers collaborate to form a composite scheme. Each scheme has a co-ordinator who is responsible for bringing together all the tutors so that they present a single co-ordinated scheme to the trainees.

4 A feature of the scheme is the role played by the young person's immediate supervisor who is required to play a major part in both the job training and job rotation elements. Named "Industrial tutors" they are required to monitor the trainee's learning and to have regular contact with the off-the-job tutors.

5 Trainees are employees of their companies and are paid wages by them while on the scheme. The firm receive a small incentive grant and all CPE fees are paid for by the MSC through funds administered by the ITB. Progress is monitored through Training Diaries and on the successful completion of the scheme a certificate of attendance is issued. In 1979/80 about 1800 young people entering the Distributive industry were accommodated on UVP schemes.

6 The scheme is, in all major respects, an already established form of the proposed NTI Traineeship. It should therefore provide a sound base for experimentation with the longer format proposed in this paper.

THE INTERNATIONAL FREIGHT FORWARDING TRAINING COUNCIL (IFFTC)  
NEW ENTRANT TRAINEE SCHEME

A BRIEF DESCRIPTION

- 1 The MSC has just begun to fund this scheme on a pilot basis with the objective of demonstrating to the industry the value of formalised new-entrant training.
- 2 The scheme provides for two years of combined induction, vocational preparation and day release for education and training purposes. The whole scheme is monitored through a Training Log Book kept for each registered trainee and a written final examination is set. Successful trainees are then admitted to the basic membership of the industry's professional body, the Institute of Freight Forwarders (IFF).
- 3 The scheme has no age or entry restrictions, and whilst 'O' level standard is preferred, entry requirements are proving flexible. It is estimated that 30% of course completers should progress through more advanced training to managerial posts.
- 4 All trainees are indentured employees of their companies and are paid wages while under training. The MSC, through the IFFTC, pay a grant to employers for each trainee and meet the charges for all off-the-job elements. The IFFTC are currently offering 100 places and the scheme is co-ordinated through their Training Officers.
- 5 If the pilot exercise, over the next three years, proves successful it is the IFFTC's long term aim that all entrants to the

industry should pass through the scheme before being employed at a variety of different levels including progression to senior management position.

6 The scheme is based on the requirements of an industry in which the vast majority of employees are at higher clerical or professional status and this is reflected in higher entry requirements than would be normal for NFI traineeships. It is also reflected in the age group that is catered for which, from the entry qualification, will contain few 16 year old school leavers. The higher level of the scheme may also explain why at present no personal development training is included.

7 Nevertheless the scheme represents a considerable move by the industry in improving and formalising its training provision and many of the NFI proposals for traineeships have been included.

## POST OFFICE CADETSHIPS

### A BRIEF DESCRIPTION

1 The aim of the scheme is to create a steady and reliable stream of postmen and postwomen, both at basic and higher grade, and future managers. The scheme is open to young people between 16 and 17 who pass an aptitude test and interview; no educational qualifications are needed. The scheme which commenced in the summer of 1980 is now the only entry to postal grades open to young people and all junior postmen and women already in the service have to be absorbed into the cadetships.

2 At 18 Cadets automatically become either Postmen or Postwomen in the basic or higher grade with prospects of promotion to Supervisor at the age of 22.

3 All cadets receive

- a one week induction course
- a one week personal development course
- the opportunity of day release for further education
- 6 one week modules of job training, each module followed by the appropriate work experience.

4 At present there are about 1700 youngsters already in the scheme having been previously employed as junior postmen or postwomen. Eventually it is intended to have some 5000 postal cadets throughout the country.

5 The scheme is funded entirely by the GPO who regard the scheme as an investment in that it provides for the 16 year old school leavers, an attractive entry to a career in the postal service.

6 As the scheme is so large, encompassing as it does every postal district there are wide variations in the type and scope of training and work experience available. Clearly this is unavoidable given the diverse nature of the different postal districts.

7 Under the scheme the further education element is not integrated with the job training and work experience segments but is 'on offer' to those candidates who wish to take advantage of it. That many do, some obtaining 'O' level certificates, is a strong argument in support of this voluntary approach.

## EDUCATION AND TRAINING LINKS

Report by the Manpower Group Working Group on Industrial Training

Introduction and Summary

1. At the meeting of the Ministerial Committee on Economic Strategy on 18 November the Secretary of State for Employment was invited to arrange for the official Manpower Group to bring together in a report by the end of January current initiatives on improving links between education and training, taking account of proposals for financial support for 16-18 year olds (E(80)40th Item 2).

2. Two related matters are being brought before the Ministerial Committee shortly:

- proposals for a Government/MSC consultative document on a new training initiative; this would concern improved vocational preparation for school-leavers, reform of skill training for young people and wider opportunities for adult training
- the CPRS report "Unemployment and Young People".

Both of these involve co-ordinated programmes of education and training.

3. This report therefore

- a. analyses the problem of linkage between "education" and "training"
- b. describes the main existing institutions and the links between them
- c. sets out recent and current Government initiatives in this area
- d. considers the scope for further action
- e. recommends that in conjunction with the development of the new training initiative and of the CPRS report consideration should be given to:
  - suggested ways of improving the exchange of information and consultation between educational and training institutions nationally and locally
  - clarification of financial responsibilities
  - possible changes in organisational structure.

4. This report was prepared by officials of the Departments of Employment, Education and Science, Industry, the Scottish Office, the Welsh Office, the Treasury, CPRS and the Manpower Services Commission. We have not had the benefit of any external consultations; they would form an essential part of the further consideration we recommend.

#### The Problem

5. We see the basic distinction between "education" and "training" as one of purpose. "Education" - even "vocational education" - is primarily concerned with developing the individual's abilities to the limit of his interest and potential; "training" - more particularly "vocational training" is primarily directed at the acquisition of the skills needed to perform particular tasks, whether narrowly job-specific or for a whole series of jobs.

6. It follows that while some courses are clearly "education" and others clearly "training" many contribute to both functions and could be regarded as either education or training. Few institutions are in practice engaged exclusively in the one or the other. What goes on in schools, Colleges of Further Education (CFEs) and higher institutions is partly, in effect, training young people for their future occupation. On the other hand, training and induction courses in industry can and should develop young people's awareness beyond the immediate job; some become much more relevant in a working environment.

7. The problem is that the people engaged in these overlapping activities tend to live in two separate worlds - "education" and "industry/commerce" - and to have different values and pursue different objectives. The aim should be to promote greater understanding and mutual co-operation between them without subordinating either to the other.

#### Existing institutions

8. Annex 1 gives the details. The main points are:

- a. the system of education is highly decentralised in England and Wales, and only slightly less so in Scotland. Leaving aside the private sector, it is financed entirely through local education authorities (LEAs) save for the universities (which themselves are highly dependent on local authority awards to students). Individual schools, colleges etc. have a high degree of autonomy in the hands of the individual teacher.

- b. so is the "system" of industrial training, being essentially left to individual employers constrained only by collective agreements with trade unions and, where they exist, by statutory industrial training boards (ITBs) through their requirements for training grants or exemption from levy.
- c. a very powerful influence is exercised by the examining bodies, through the aspirations of the educational institutions themselves, of students and their parents, and of employers who tend to regard possession of an academic qualification as an indication of general ability without close regard to its detailed relevance.
- d. above minimum school-leaving age some direct influence on the education system is exercised by parents' and students' willingness to extent their education, and by employers' willingness to grant day or block release, though they in turn are influenced by what the educational institutions are prepared to provide on a free or highly subsidised basis.
- e. the Manpower Services Commission (MSC), has some influence on employers - and through them on CFEs - through its grants under the Training for Skills Programme (TSPA), its grants for unified vocational preparation courses (UVP) and the conditions attached to the Youth Opportunities Programme (YOP); it also meets the entire cost, including maintenance, of courses - mainly for adults and mainly at skilled manual level - at Skillcentres and some CFEs under the Training Opportunities Scheme (TOSPS).
- f. the Careers Service, provided by local education authorities under the guidance of the DE, is in a potentially bridging position, but is mainly concerned with giving school-leavers guidance and information about employers' requirements, and has less contact with CFEs.

#### Current action to promote links.

9. Details are given in Annex II. The main points are:-

- a. the MSC itself consists of representatives of employers, unions, local authorities and educationists; and a similar pattern extends to ITBs, the Special Programmes Boards (for YOP) and District Manpower Committees (DMCs).

- b. industrialists serve, in a purely personal capacity, on many local education authorities, governing bodies of schools, CFEs etc, and on most examining bodies; strong industrial representation is to be included in the proposed new chartered body to oversee the education and training of professional engineers and technicians.
- c. the DES and the MSC set up in 1977 and have recently re-constituted a Training and Further Education Consultative Group; there is no parallel body for Scotland.
- d. the DES have in hand or on the stocks several initiatives designed to secure greater consistency in the content and control of educational courses, with a particular emphasis on vocational relevance, in schools (core curriculum, school/industry links, 17+ exam) in CFEs (continuing education; objectives and priorities of non-advanced FE) and in higher education (response to Select Committee); in Scotland the SED are taking parallel action as appropriate.
- e. The DOI have established a small unit to promote greater awareness of industry and commerce in schools eg. by industrial secondments for teachers.
- f. the development in recent years of UVP, YOP, TSPA and TOPS have considerably increased the MSC's concern for and ability to influence the linkage between education and training; and their proposed consultative document on new training initiatives will provide a new focus of attention.
- g. Ministers have expressed particular concern about the disparities of financial support for 16-18 year olds, and this is under separate examination by officials.

#### Scope for Further Action

10. We examine this under three headings:
- exchange of information, cross-representation and consultation
  - financial links
  - organisational links.

#### (a) Information, cross-representation and consultation

11. MSC and DE already publish information on employment trends analysed by occupation, industry and location which is used by employers, ITBs and educational institutions in planning their courses. ITBs themselves collect and publish more detailed information concerning their own industries. MSC is considering how this might be improved. It would be a mistake however, to look for detailed forecasts of requirements at national or even industrial level. Forecasting must be relatively short-term and local.
12. A lot of labour market information is already exchanged locally between employers, school and colleges, and potential employees/students. The Careers Service can play a key role, but could with advantage strengthen its links with CFEs in some areas. We also recommend that the MSC should consider giving local managers a positive and publicised role to act as co-ordinators of local action to meet particular local skill shortages.
13. The exchange of information can also be promoted by having representatives of industry on educational bodies and vice-versa. There is already a high, almost incestuous, degree of cross-representation between institutions concerned with education and training at a variety of levels. Such representation is, however, normally on a personal basis and carries no guarantee of more widespread and effective consultation with the interests so "represented". Indeed in some instances it may inhibit this.
14. We accordingly recommend that further examination should be made of the need for, and means of achieving, wider and more effective consultation, in particular
- between Government Departments and the MSC
  - between examining bodies and industry
  - between LEAs, schools and CFEs on the one hand and MSC, employers and their organisations locally on the other.

#### (b.) Financial links

15. The financing of vocational education and training, described in detail in Annex 1, is largely the product of historical accident. Responsibility is diffused and blurred, to the detriment of efficiency and incentive.
16. Educational courses are financed mainly by the ratepayer and (mainly through RSG) the taxpayer. Depending on age and status the student may qualify for child benefit, a maintenance allowance from public funds, or wages from an employer.

17. Vocational training and maintenance during training are normally paid for by the employer, but in a somewhat haphazard collection of occupations (ranging from medicine to hairdressers and typists) is normally obtained wholly at public expense, or by the trainee privately. Those parts of courses which can be provided at CFEs and classed as "education" are normally provided free or at subsidised rates, but with the employer still paying wages on which he may hope to get some return from work done by the trainee at slightly less than skilled rates in the later years of an apprenticeship. The employer may in some circumstances receive some financial assistance from an ITB or the MSC. If the trainee is unemployed and (normally) over 18 then an MSC TOPS course may be available free, with a maintenance allowance, in a Skillcentre or a CFE.

18. It is broadly estimated that the public authorities spend some £3bn a year on education (generally) outside schools, and industry between £2bn and £4bn a year on training; the MSC spends £350m a year on training, more than half on TOPS.

19. We strongly recommend that all these financial mechanisms should be subjected to a comprehensive review, with a view to introducing more clear-cut responsibilities as between control and local government, employers and the trainees themselves. In particular we note the potential importance in determining 16 year olds' initial career choices (and therefore indirectly the types of courses which are provided) of the relative rewards available immediately and in the longer term - for continued education, apprenticeship and other formal training, "dead-end" jobs and unemployment.

#### (c) Organisational links

20. Both training and education in this country are highly de-centralised. The Education Departments have only limited powers over LEAs, despite the large sums provided through RSG, and still less over the universities and most of the standard-setting institutions. Training is largely in the hands of the individual firm with ITBs having pretty limited financial influence even where they operate and the MSC intervening financially only at the margin. Short of changing these "systems" Government is largely dependent on exhortation and advice to achieve its objectives. That applies also to the objective of increasing the degree of co-operation and co-ordination between the different parts of these "systems".

21. There are therefore two dimensions to the problem. One is the promotion of links between educational institutions on the one hand and training institutions on the other at each level - national, regional, or local. The other is to promote linkages up and down between national and local level.

22. In both dimensions a good deal might be achieved by improved arrangements for consultation and clarification of financial responsibilities following the recommendations we have made above. But there may also be a case - particularly in the context of the proposed new training initiative - for a more fundamental re-examination of the way in which both education and training are organised in this country. In Western Germany and in France the education and training systems are both more unified and more centralised.

23. Questions to be covered in such an examination might include:

- a. whether there should be more unified responsibility for vocational education and training at national level, or whether existing links with general education on the one hand and the labour market on the other are more important
- b. whether there should be greater central control over the local provision of vocational education and training and the implications of this for funding
- c. whether there should be greater central control of standard-setting, with a view to achieving a better balance between educational and industrial interests and a more rational and better understood system of awards; or whether this should be made the statutory responsibility of industrial bodies; or whether independent enterprise should continue to be encouraged
- d. whether there should be more unified responsibility for vocational education and training at local level, and if so what level that would be - industry, local education authority area, or local labour market
- e. whether there is room for more limited organisational reforms - for example the establishment of experimental "task forces" for particular problems such as computer manpower - and how these could operate in the context of the present systems.

Conclusions

24. Improved links between vocational education and industrial training are needed, particularly in the context of proposed new training initiatives and action to help the young unemployed.
25. The several initiatives already in hand (para 9 and Annex II) should continue to be pressed forward individually, but the Manpower Group should monitor overall progress.
26. The Manpower Group should examine, and where appropriate put forward, proposals for action on :-
- a. improved arrangements for the exchange of information and consultation between educational and training institutions (paras 12 and 14)
  - b. clarification of financial responsibilities for education and training (para 19) and
  - c. changes in the organisation of education and training (paras 22 and 23).
27. The Manpower Group's report should be available to Ministers by the end of the consultation period on the new training initiatives (probably autumn 1981).

ANNEX 1

THE MAIN INSTITUTIONS PROVIDING EDUCATION AND TRAINING

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THE MAIN INSTITUTIONS PROVIDING EDUCATION AND TRAINING

I THE GOVERNMENT OF THE EDUCATION SYSTEM

a Local Education Authorities

With the exception of the universities, the publicly maintained educational system is run by local education authorities (in Scotland, education authorities) which are the Inner London Education Authority (covering the Inner-London Boroughs), and, outside London, the Metropolitan Districts and Non-Metropolitan Counties. In Scotland, the regional and Island Authorities fulfil this function. Local education authorities have the statutory responsibility for ensuring the provision of appropriate education at primary, secondary and further levels. They control the allocation of resources to educational institutions and may have a greater or lesser direct say (as well as considerable indirect influence) on what goes on in them. However, each of the main types of educational institution is required to have a governing body, and the distribution of responsibilities between the LEAs, the governing body and the Principal of the institution is established by Articles of Government.

b Schools

In general arrangements for school government are for the LEA. Encouragement has been given to LEAs to include appropriate representation of people with experience in commerce and industry especially on secondary school governing bodies; but the idea of statutory rights for any particular interest has been rejected as too inflexible, and there is thus likely to be a variety of interests represented on governing bodies, with LEA members (except in certain types of voluntary school) normally constituting the majority.

c Colleges of Further Education and Polytechnics

The Instrument of Government of CFEs is made by the local education authority, and the Articles of Government by the LEA with the approval of the appropriate Education Minister. LEAs are encouraged to allow for substantial industrial representation - about one-third of the membership - and it is thought that in most cases something close to this is achieved, although it may not always be the case in polytechnics and other higher education institutions where there is likely to be a higher representation of staff and students. Institutions vary in the degree to which the control of courses lies with the Governing Body or the Academic Board; this body is

likely to be more important in polytechnics and other institutions with much advanced work, Governing Bodies are also encouraged to make appropriate arrangements to establish machinery for consultation with representatives of industry, commerce etc.

In Scotland the Central Institutions, which are recognised as National Colleges of Higher Education, are responsible for the bulk of courses of degree standard outside the universities. Finance is provided directly by Central Government in the form of annual deficit grants.

d Universities

Universities are entirely autonomous bodies, subject only to the powers of the Privy Council, who, however, have to approve their statutes, which they do after consultation with DES and the University Grants Committee. Many universities have in recent years taken particular care to build up relations with industry; the UGC has a sub-committee specifically concerned with matters relating to university/industry collaboration and has occasionally made special funds available.

e Funding

With the exception of the Universities and the Central Institutions in Scotland the financing of the education system generally is borne by local authority rates and by central government through the Rate Support Grant. Colleges of Further Education are funded largely in this way but also have a considerable fee income. MSC financed activity amounts to about 6% of the work of CFEs. On top of that there are courses provided to meet specific industrial needs with fees which are in theory, if not always in practice, full cost for education of apprentices and other employed people in training over the age of 18. There are also specific "industrial training" activities such as the national training element within integrated first-year apprenticeship courses which may be paid by an employer or an Industry Training Board. The total expenditure on education of people over compulsory school age in Great Britain at 1980 survey prices was £3 billion. Further work would be needed to identify the proportion of expenditure on further education borne by the MSC, ITBs and employers.

f Day/Block Release

Under the Education Acts Local Education Authorities are required to provide facilities for all young people under 18 who are in employment to continue their education through a system of day or block release. This provision has never been enforced and, in the form expressed in the Act, must be considered moribund; its repeal is under consideration, without prejudice to any possible future provisions in a more appropriate form. Reasons for effective non-implementation include the considerable cost implications for both employers (in terms of productive capacity lost) and the education system (sheer potential number of students and facilities needed) and employers' concern about the relevance of the education received. Broadly, only young people entering jobs with systematic long term training e.g. craft and technician apprentices receive associated further education. Some 2/300,000 young people each year enter jobs (many unskilled and semi-skilled) where they receive no significant training and associated further education.

These bodies are responsible for setting formal standards of performance, possession of which may be used by employers as a condition of recruitment for employment and entry to further training. Their ability to influence employers' understanding of the need for nationally agreed standards of vocational further education is limited by the extent to which their qualifications are regarded by employers and unions as relevant to industrial needs.

a School Leaving Qualifications. In England and Wales GCE 'O' and 'A' level standards of examination are controlled largely by University examining boards; CSE standards by CSE examining bodies. Work is currently in hand to merge into one system the CSE and GCE O level examination. In Scotland the Scottish Certificate of Education Examination Board is responsible for examination for the Scottish Certificate of Education and the Certificate of Sixth Year Studies. Members of the Examination Board are appointed by the Secretary of State, largely from nominees of educational interests including the Scottish universities and Teachers' unions and elected members of education authorities.

b The City and Guilds of London Institute was established by Royal Charter and is financed through examination and/or registration fees paid either by students or (in the case of those students sponsored by employers) by their employers. It is concerned mainly with courses at craft and sub-craft level, with the exception of the commercial and clerical section where the Royal Society of Arts operates at a similar level. A number of Regional Examining Bodies also operate at this level alongside the CGLI; the REBs and the CGLI are brought together in the Council of Technical Examining Bodies which works towards some rationalisation of provision. Under DES Administrative Memorandum 25/67 Industry Training Boards are expected to liaise with the CGLI and REBs about the implications of new or revised training recommendations for associated further education courses. This requirement is under review in the light of changed circumstances, in particular closer cooperation between the examining bodies concerned, the need to make reciprocal arrangements for consultation and the desirability of similar arrangements in respect of the Technician and Business Education Councils.

c The Technician and Business Education Councils in England and Wales and their Scottish equivalents SCOTEC and SCOTBEC were established in the mid 1970s by respectively the Secretaries of State for Education and Science and for Scotland to develop a more coherent and flexible structure of technician level courses and examinations. They are corporate bodies on which are represented industrial, professional and educational interests and organisations. TEC and BEC are financed largely through fee income (TEC continues to receive a DES grant-in-aid but is expected to become self-sufficient shortly); SCOTEC and SCOTBEC are funded mainly by education authority grants and to a small extent by fee income. The Councils seek to promote the active involvement of industry in the formulation and implementation of their courses at every level and attach great importance to links between colleges and employers so that local needs are catered for. A number of professional associations and other smaller examining bodies are also in operation, particularly in the areas of accountancy and various types of management, business and supervisory studies.

d At degree and equivalent level the universities and the Council for National Academic Awards validate courses some of which have a vocational content.

### III CONSULTATIVE MACHINERY

#### a The Training and Further Education Consultative Group (TFECCG)

The TFECCG was set up in 1977. The terms of reference are:-

To provide a forum for discussion of:

- i the implications for the FE service of the TSA's plans, programmes and operations;
- ii the implications for the TSA of trends and developments in FE;
- iii the broad framework of courses, particularly in the light of the evolving concept of unified vocational preparation.

The TFECCG's first term of office expired at the end of 1979; this has now been extended to the end of 1981. The Chairman throughout has been Mr Roy Helton, a member of the Manpower Services Commission and Principal of Cambridgeshire College of Arts and Technology. The fifteen members include representation from the TUC, CBI, Industry Training Boards, and seven members from the education service nominated by the Secretary of State for Education and Science.

The TFECCG has provided a useful forum for discussion of such issues as charges for MSC courses in colleges and relations between industry training bodies and examining bodies; it has also to some extent moved into the field of relationships between the education service and the Special Programmes Division of MSC, although separate arrangements for coordination (the Special Programmes Board) exist there. However, the Group has limitations, of which the main one is its small size and the fact that the members can in no real sense represent constituencies within the education and training systems. The Group has only a small part-time Secretariat, and this, together with the nature of the membership and rather vague terms of reference, has meant that it can do little more than respond to issues put to it, and mostly in a rather general way.

#### b Consultative machinery in Scotland

No representative body exists in Scotland corresponding to the Training and Further Education Consultative Group for England and Wales. A significant measure of co-ordination at national level is achieved by virtue of the fact that the Scottish Economic Planning Department, (SEPD) and SED report to the same Scottish Office Minister, the Minister for Industry and Education. Moreover the Manpower Services Committee for Scotland though not constituted in such a way as to secure automatic coverage of Scottish educational interests has in practice so far has a membership in which people from the educational sector have been prominent. SED and SEPD are at present considering the scope for new national consultative arrangements and the possibility of mounting a locally-based or occupationally-based experiment in co-ordinating industrial training requirements with further education provision.

The Council for Tertiary Education in Scotland (CTES) was set up in 1979 to "advise the Secretary of State on such questions relating to tertiary education in Scotland as he may remit to the Council, and on such other matters as the Council may consider relevant to the development of non-university tertiary education and its relationship with university education in Scotland".

The Careers Service aims to help individuals leaving full-time education to make a satisfactory transition from school or college to work. It is operated by individual Local Education Authorities, subject to guidance issued by the Secretaries of State for Employment (England), Scotland, and Wales. All LEAs must provide a Careers Service, but there can be considerable variation in the resources and mode of operation of particular services. In 1980 there were some 5700 careers officers and support staff in Great Britain, and expenditure on the Service was estimated at some £41 million (payable through Rate Support Grant Settlement). A further 740 posts were directly funded by central government at a cost of about £6 million, to help the service deal with high unemployment.

Careers Service staff give advice, guidance and information about career opportunities during individual counselling or group work sessions, contribute to the careers education provided by schools and colleges, and provide an employment placing service for young people. They also recruit to the MSC's Youth Opportunities Programme and give advice and guidance to young people who are participating in schemes with a view to preparing them for the transition to permanent employment. Careers officers are involved in bodies which bring together local interests concerned with education and the world of work, for example Local Careers Service Advisory Committees, and, in addition, maintain active liaison with local representatives of the MSC, Government Departments, employers organisations, trade unions and others.

The MSC, through its Careers and Occupational Information Centre (COIC), makes available comprehensive occupational information for the use of schools, the Careers Service, its own employment service and members of the public.

The objectives of DOI's Industry/Education Unit are to improve attitudes towards manufacturing industry amongst young people and to encourage interest in manufacturing careers, particularly the subjects and further and higher education courses which can lead to them. The focus of the Unit's work is at school level, in support of local initiatives by education authorities, the Careers Service and other organizations and individuals. The Unit is most active in developing sources of information and advice on careers in industry, in demonstrating how subjects taught in schools and colleges can be related to industrial applications and also in fostering direct links between schools and local firms through teacher secondment or training, exhibitions etc.

Industry and employers at present have the primary responsibility for determining the volume and level of training and for providing the necessary facilities (except for those regarded as educational). It is estimated that total expenditure on training by industry is currently of the order of £2 to £4 billion per annum.

a The Manpower Services Commission

The MSC, created under the Employment and Training Act 1973, has three main training functions:

- Oversight of ITBs.
- Under the Training for Skills Programme to provide grants to employers either directly or through Industrial Training Boards to encourage improvements in the quantity and quality of training. Currently its main objectives are to increase the number of apprenticeships on offer during the recession, to encourage training in key skills (eg computer skills) and to encourage the adoption of training standards. Under TSPA the MSC currently makes available to industry some £45 million per annum; which includes support in 1980/81 for up to 25,000 apprentice places and other forms of long term training.
- Direct provision of accelerated training and retraining opportunities under the Training Opportunities Programme (at an annual cost of some £230 million) for unemployed adults in a wide variety of skills in skillcentres, but to some extent in CFEs and on employers' premises. MSC also provides through its Direct Training Services programme, training in a wide variety of skills and knowledge for employees.

b Industrial Training Boards

There are 24 Industrial Training Boards (including the agricultural ITB which reports to the Agricultural Ministers and not, like the other Boards, to the MSC). The Boards were set up under the 1964 Industrial Training Act and cover firms in the manufacturing, construction, distributive and some extractive

industries employing just over half of all employees. Board chairmen and members are appointed by the Secretary of State for Employment in consultation with the appropriate industry organisations to represent in equal number employers, unions and educational interests concerned. Through its Training Services Division the MSC has established a system of dialogues with the ITBs with a view to ensuring that firms', industries' and national training needs are being properly identified and met.

c Non-ITB Sector

The MSC's objectives in this sector are to promote the establishment of joint industry training bodies; to establish partnerships with existing training bodies; to improve the planning of training; to identify key training needs, and to align training provision with the national training system and its priorities. Through TSD, the MSC has established a system of dialogues, similar to that in the ITB sector, with the main training organisations in the non-ITB sector; these include the Forestry Training Council, the Hairdressing Joint Training Council, the Local Government Training Board and the Sea Fisheries Training Council. The training bodies vary considerably in their size and stage of development, and in the amount of influence they exert with their industries.

o Group Training Schemes

Group training schemes are associations of mainly small firms with similar training needs coming together to employ their own training officer or share other facilities, which they individually could not provide from their own resources. Most groups have been set up on the initiative, and with the help and support, of Industrial Training Boards. There are now 674 group training schemes in the ITB sector (compared with 60 in 1964), covering firms employing well over 2 million people (about 20% of all employees in scope of boards).

d Private Training Establishments

Very little is known about private training establishments because they are not required to register with any central body. They can cover a wide range of subjects but are recognised only if they offer courses which lead to qualifications similar to the maintained sector. Over 50% concentrate on 'English as a foreign language'; the second largest group is probably the secretarial college sector, through which the MSC trains most of its clerical and commercial trainees.

e District Manpower Committees (DMCs)

The MSC has set up an extensive national network of 88 DMCs to advise the MSC generally on the delivery of its employment and training services at local level and also assist Special Programmes Area Boards in the performance of their functions.

DMCs comprise representatives of employers, employees, local authorities, professional education interests, training interests and of the interests of disabled people. In addition there are representatives, where appropriate, of ethnic minorities and disadvantaged groups as well as regular attendance from such people as Principal Careers Officers.

ANNEX 2

INITIATIVES

Contents

I Consultative documents etc in education

- a. School-industry links
- b. The review of 16-19 education
- c. Proposed new examination at 17+
- d. Continuing education
- e. Possible consultative paper: "Objectives and priorities in non-advanced further education"
- f. Response to select committee report on higher education

II Initiatives in training

- a. Engineering Industry Training Board paper IP49
- b. New Training Initiative
- c. Open Tech
- d. Review of ITBs
- e. Chartered body for engineering profession

III Special programmes

- a. Unified Vocational Preparation
- b. Youth Opportunities Programme

I CONSULTATIVE DOCUMENTS ETC IN EDUCATION

a School-industry links. The importance of close links between schools and industry at both local and national levels is one of the themes underlying the debate on the secondary school curriculum initiated by the consultative paper "A Framework for the School Curriculum" published in January 1980 by the Education Departments in England and Wales. An important forum for this is a series of regional meetings currently being conducted with the general aim of stimulating discussion between representatives of education and industry on the relevance of current education policies to working life.

The Departments have also recently initiated (November 1980) an independent review, by Mr Neville Cooper, Director of Administration at Standard Telephones, with the support of the Chief Education Officer for Bedfordshire, of the nature and extent of the existing school/industry link activities undertaken by the major organisations involved, and of whether and how their total effectiveness might be improved at both local and national level. The review is expected to take between 6 and 9 months to complete. A variety of developmental work on schools/industry links has been carried out by voluntary agencies (including the Confederation of British Industry and the Industrial Society) with Government encouragement and support.

Parrallel developments in Scotland have included: a major curriculum project on Education for the Industrial Society; the Munn and Dunning Reports which dealt inter alia with the desirability of encouraging link courses and work experience schemes; and, following on these, a decision to develop new syllabuses and assessment methods in the later years of secondary schooling, which, it is intended, will reflect where appropriate the importance of preparation for working life.

b The review of 16-19 education. The review of 16-19 education, whose report was published on 26 January 1980, concentrated on issues arising in provision of general education for 16-19 year olds in the context of reduction in the size of the age-group and other factors pointing to the need for a review of provision. The report encourages local education authorities to undertake such a review having regard to a variety of factors identified by members of the review group

as important. The report does not touch, except briefly, on the interface between general education, vocational education, industrial training and the activities of the Special Programmes Division of the MSC although it recognises that no consideration of total provision for the age-group can ignore these different types of education and training.

Scotland

In October 1979 SED issued a consultative paper "16-18s in Scotland: The First Two Years of Post-Compulsory Education" which surveyed the existing structure for post-16 education (though setting aside higher education) and considered a number of ways in which without additional resources participation might be increased. Suggestions outlined in the consultative paper included closer collaboration between schools and further education colleges, the introduction of new post-16 courses (alternatives to SCE H grade for those holding a number of O grade passes and courses combining general with vocational studies for pupils with few or no O grade passes), part-time schooling, the establishment of sixth form or tertiary colleges (there are none at present in Scotland). Responses to the document revealed a wide scatter of opinion, with little convergence of view except on the desirability of rationalising financial support for 16-18 year olds, the introduction of new courses of a non-academic nature and improvements in the Careers Service. The question of how best to develop post-16 education in Scotland is still being considered against the background of public expenditure constraints which limit the scope for experiment.

c Proposed new examination at 17+. In October 1980 the Department of Education and Science published a consultative document about the possible nature and structure of a vocationally-oriented examination for those who remain in education after 16 but without academic aspirations. The new examination is intended for students of broadly average ability but no definite vocational commitment who wish to spend an extra year in full-time education after the age of 16, either in school or college, before going into employment. Its main objective will be to assist the transition of these young people from the world of education to the world of work, by helping them to reach a considered judgement about their choice of work, and by giving them a qualification which will be valued by employers. The courses will consist of a core including numerical and communication skills, and will have a vocational bias to give students

first hand experience from which to develop both their general education and their appreciation of particular types of work. As a pre-vocational course and will complement or lead into other FE courses of a specifically vocational character.

The consultative period ended on 31 December 1980 and the Department is considering representations received.

d Continuing education. In recognition of the importance of extending opportunities for post-experience vocational education for adults, the Department of Education and Science published in October 1980 a consultative document on continuing education. The purpose of this document was to seek the views of those concerned, in the educational world and elsewhere, of ways in which opportunities could be improved in the following three areas:-

- i the removal of any institutional disincentives to the development of post-experience courses, bearing in mind the fact that they would often need to be tailor-made and part-time;
- ii the encouragement of innovatory forms of teaching and learning appropriate to the needs of post-experience students;
- iii the building up of an information network in order to ensure that all those concerned enjoyed the maximum awareness of the needs to be met and the availability of courses to meet the, so that such courses could be provided on the most economic basis.

The consultative document assumed that courses in this area would in general be provided on a full-cost basis, with the beneficiaries (employers and/or individuals) bearing the cost.

The consultative period came to an end on 31 December 1980 and the Department is considering the representations made.

#### Scotland

No Scottish consultative document on the subject of continuing education has been issued, but the Council for Tertiary Education in Scotland has been invited to assess the scope for development of continuing education in Scotland, with particular regard to vocational post-experience courses; to identify any obstacles to such developments in institutions of tertiary education (excluding

universities); and on the assumption that additional public funds for development would not be made available, to suggest how any such obstacles might be overcome.

\* Possible consultative paper: "Objectives and Priorities in non-advanced further education" The DES have under consideration a draft consultative paper on methods of planning the use of resources in non-advanced FE. It is intended, not to give substantive guidance on objectives and priorities, but to help local education authorities to develop their planning mechanisms for meeting the needs of specific client groups (apprentices, the young unemployed, those seeking pre-vocational courses and so on), assess their provision in the light of those needs and develop cross-boundary planning mechanisms where appropriate.

f Response to Select Committee report on higher education The DES has recently issued a response to the report by the Select Committee on Education, Science and the Arts on the planning of higher education. It refers to current initiatives such as that on continuing education, and to continuing work on the feasibility (on which the Committee expressed doubts) of steering the system to match more closely current and future requirements for highly qualified manpower. It promises a later response to the Committee's recommendations about greater centralisation of the planning and funding of higher education outside the universities in the institutions for which LEAs are currently responsible.

g Official Group on Financial Support for 16-18 year olds (MISC 45). The Government's Manifesto committed it to a review of the relationship between schools, further education and training. As part of this, the Home and Social Affairs Committee agreed at its meeting on 14 May 1980 that there should be an interdepartmental study of financial support for 16-18 year olds. An official group was set up with the remit to review the different forms and levels of support from public funds available to young people, and to examine whether without net addition to public expenditure changes should be made in the present arrangements. DES, DES, DE, MSC, DHSS, Treasury Scottish and Welsh Offices and the Department of Education for Northern Ireland have taken part in the study. The Group considered ways in which existing benefits - child benefit and supplementary benefit - might be combined into a new benefit - Youth Benefit which would be available to 16 and 17 year olds who were either out of work or continuing in full-time education. It would also be available to 18 year olds still in full-time education.

The report of the Official Group was considered by the Home and Social Affairs Committee on 9 December, who noted the proposed YB might remove the financial incentive to leave school, and provide for a more equitable distribution of State support. Against that the disadvantages were the likely unpopularity of the proposal among 16-18 year olds, the extension of means testing, doubts about the effect on staying-on rates, and concern about the attractiveness of YB if the present allowance were partially replaced by YP. As a result, the Committee asked the Official Group to prepare a further detailed analysis of the balance of advantage of introducing a graduated YB.

## II INITIATIVES IN TRAINING

### (a) Engineering Industry Training Board Paper IP49.

In March 1978, the Engineering Industry Training Board (EITB) published proposals for the reform of craft apprenticeship in engineering in their Information Paper 49. The proposals, which were the product of a working party of the Board comprising union and employer representatives, stimulated great debate both before and after publication, but despite an initial measure of agreement on the proposals no further agreement on action has made implementation possible. The EITB proposed the following structure for craft training:

- New courses would be developed for the last 2 years at school (or equivalent in Colleges of Education);
- On leaving school apprentices would spend one year off the job in full time training and further education;
- After module training apprentices would spend one year in industry practicing their crafts, with appropriate further education and could qualify as craftsmen any time after their 18th birthday by passing appropriate tests. Other ITBs have made similar proposals, with few practical results. But such proposals are closely relevant to the New Training Initiative (below).

### (b) The New Training Initiative (NTI).

Since July 1980, the Manpower Services Commission has been working to produce a consultative document which proposes changes in national training arrangements to make present arrangements more appropriate and responsive to the labour requirements of 1980 and beyond. Ministers and the MSC Commissioners have seen and approved the principles underlying the first draft of the consultative document, and work is in hand by officials in the MSC, the Department of Employment and other Government Departments to produce a further draft document which might be agreed jointly for publication by the Government and the MSC in March/April 1981. Informal consultation on the present draft of the consultative document have been taking place amongst TUC, CBI and education and local authority interests.

The NTI proposes three objectives for training arrangements in Great Britain to be achieved by 1990:

- (i) to ensure that all 16 and 17 year olds have the opportunity to undertake full-time education or a traineeship which combines work and work related training and education;
- (ii) to secure adequate opportunities for both young people and adults to train to recognised standards related to the skills required in jobs;
- (iii) to ensure that opportunities for training and retraining are widely available to adults.

The proposals cover the arrangements needed to achieve the objectives and emphasise the need for co-operative involvement of those responsible for education and training and the co-ordination of financial arrangements. The initiative acknowledges the possibility of changes arising from the review of the Employment and Training Act and suggests other organisational changes.

It is not expected that implementation of these objectives will require additional major public expenditure or legislation. It is hoped that MSC and Government will jointly publish proposals for consultation in the next few months.

c 'Open Tech' As part of the New Training Initiative the MSC are, at the request of the Secretary of State for Employment, preparing proposals for the establishment of an 'Open Tech' for the promotion of distance and open learning techniques mainly at technician and supervisory levels.

The proposal was inspired by the success of the Open University, but the creation of a new institution is not envisaged. The option being considered is a unit in the MSC working in conjunction with existing institutions, many of which are already experimenting in this field. Details of funding have not been settled. Some of central (MSC) funds would be needed, but some funding from other bodies is also envisaged.

d Review of ITBs In July 1980 the Commission published for consultation a report compiled by a review body under the chairmanship of Sir Richard O' Brian, comprising representatives from the CBI, TUC, ITBs, and educational interests.

The report "Outlook on Training: Review of the Employment and Training Act 1974" was discussed in the light of responses to it by the Commission on 30 October 1980. The Commission endorsed the priority objectives suggested in the Report for all those concerned with training, and the conclusion of the Report that there should continue to be an industrial focus for training institutions. They were unable to reach agreement, however, on the financial recommendations of the Report, and in particular on the recommendation which had suggested that the funding of ITBs' operating costs should be returned to industry. They agreed with the Report's recommendation that there should be an examination of ITB boundaries, and recommended to the Government that this should be widened to a sector by sector review of the training arrangements across the whole of industry. The Government has now asked them to undertake this urgently, with a view to making decisions about the future of all Boards next summer. The Government have also made it clear that they wish to see increased the area of reliance on voluntary industry arrangements for promoting training as far as possible, and to retain ITBs in only a few key sectors where the Government judged them likely to be effective in the achievement of national training objectives.

e Chartered Body for Engineering Profession. Arising from the report of the Finiston Committee on Engineering, the Government are arranging for the setting up of a new Chartered Body which will be responsible for the standard and accreditation of engineering courses and industrial training, and for the registration of professional engineers and technicians. This body will work together with employers representatives and existing agencies and institutions, (academic, training boards, engineering and technicians) to improve the quality and industrial relevance of educational courses and training. In cooperation with other bodies it will also be concerned to try to ensure that engineers and technicians are available and trained to meet the rapidly changing future demands of industrial technology. The Government expects the Chartered Body to become quickly self-financing but is prepared to support initial funding.

## III. SPECIAL PROGRAMMES

An important area of innovation in links between the education and training system has been the development of courses under the Youth Opportunities Programme (YOP) and under the pilot programme for Unified Vocational Preparation (UVP).

a. Unified Vocational Preparation. The degree of integration has been highest in the case of UVP which was launched in 1976 to test and develop forms of provision designed through structured work experience and training to meet the needs of the 2/300,000 young people who each year enter jobs where no further training or education is provided (this is over 30% of all young people leaving school for work). Schemes of vocational preparation are designed to suit the particular needs of firms and industries and normally include release to off-the-job training in Colleges of Further Education fully integrated with systematic induction courses and work experience. A small number of ITBs have been pace setters in drawing up programmes for their industries; some colleges of further education and some individual employers or other bodies have also been active.

UVP courses aim to give young employees a firm foundation of basic skill on which further education and training can be built, and a realistic outlook on jobs and careers. All courses have appropriate steering arrangements and to qualify for Government support must be approved by an inter departmental group representing the Education Departments and the MSC. Participating employers receive an incentive payment of £4 per trainee per day in respect of time spent training off-the-job (and also in some cases for work place training).

Ministers' recent decision to expand UVP has necessitated an examination of the appropriate future organisation for the administration of the programme including approval of schemes. This examination is continuing, and it is intended that any new form of organisation should be compatible with the possible evolution of the broader concept of traineeships as suggested in the draft Government/MSc consultative document.

Youth Opportunities Programme. The Youth Opportunities Programme was launched by the MSC in 1978 to offer unemployed school leavers (aged 16 and 17, and in some cases 18 year olds) the opportunity to gain work experience and the basic work training needed to secure employment. The Programme has grown steadily since its first year of operation (1978/1979) when some 152,000 young people took part and the Government has recently announced that YOP will be further expanded in 1981/82 to provide some 440,000 training/work experience opportunities. This level of provision will continue in the two following years if necessary.

YOP has increasingly been viewed as not just a programme of basic training or work experience to alleviate youth unemployment, but as a means of providing unemployed young people with vocational preparation. Training has always been inherent in YOP, with a number of its shorter courses relating specifically to work preparation and basic skills training, but off-the-job training has also become an important part of the work experience element of the programme.

It is intended that an increasing proportion of young people on work experience schemes should receive education relevant to their preparation for working life, and the further education system already plays a considerable part in providing such education, which is financed on a full-cost basis by MSC. Although YOP is under the central control of the MSC's Special Programmes Division the education service is represented both on the Special Programmes Board centrally and on Special Programmes Area Boards. MSC thus has close involvement with particular local education authorities concerned in the provision of education for the young unemployed under YOP, and is at present working with twelve such authorities on pilot projects to improve the educational contribution and its relevance to the needs of the young people.

## MSC Special Programmes Board and Area Boards

The Special Programmes Board exercises general oversight of the development and operation of YOP and STEP nationally on behalf of the Commission. Responsibility for the day-to-day running of the programmes is devolved to local levels and in particular to 28 Area Boards, comprising representatives of employers, trade unions, voluntary organisations, local authorities and education interests, which plan and oversee the provision of YOP and STEP opportunities in their area, monitor progress, and assist in marketing the programmes. They are supported by 32 SED Area Offices which are responsible for developing opportunities and projects and administering and monitoring them.

### Typical membership of an Area Board

Chairman	
Employers	2-3
Trades Unions	2-3
Local Authorities (frequently from the Education side)	2-3
Education Service	1
DMC Chairman	1
Voluntary Organisation	1
(Careers Service PCOs have right of attendance)	

Membership of the Special Programmes Board is on a similar basis to Area Boards with representatives of employers, trade unions, Local Authorities currently including a Director of Education and voluntary organisations.

Also represented are the Careers Service, youth organisations and MSC senior management. Representatives of several Government Departments attend as assessors, including the DES.