

Manpower

Ref: A03580

PRIME MINISTER

INDUSTRIAL TRAINING

E(80)132 and 133

BACKGROUND

The Committee endorsed the broad approach to industrial training, and the future of the Industrial Training Boards (ITBs), at their meeting on 15 October (E(80)36th Meeting, Item 2). The Secretary of State for Employment now makes more detailed proposals in E(80)132 in the light of his further consultations with the Manpower Services Commission (MSC) and with the other Ministers directly concerned. The CPRS comment on some of the main issues in their memorandum E(80)133.

2. The issues are urgent in that the Secretary of State for Employment wants to make a statement on training in the Debate on the Address, probably on Wednesday 26 November, and to secure policy approval for a Bill which he has to introduce either just before or after Christmas. Given the very limited time available for discussion tomorrow it may be necessary to confine discussion to the minimum necessary to enable a statement to be made next week. This points to seeking agreement to the conclusion in paragraph 18(a), (b), and (f). It may however also be possible for the Committee to agree to the remaining conclusions in paragraph 18(c) (d) and (e) - perhaps on a 'no dissenting voice' basis.

HANDLING

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3. You might begin by referring to the timing problem, and then invite the Secretary of State for Employment to introduce his paper. Thereafter the swiftest procedure would be to work seriatim through the 6 points set out in the Secretary of State for Employment's concluding paragraph 18:-

- (a) It seems sensible that the selection of the ITBs to be retained should be based on a sector by sector review by the MSC. The main



problem here is the CBI's objection to taking on the operating costs (see also, paragraph 2 of the CPRS's note E(80)133). But if this is not done substantial public expenditure savings will be lost. In addition the Chancellor of the Exchequer may well want to make the point that if the transfer were to be phased the MSC will have to find offsetting savings from elsewhere in its training provision. Moreover there may well be scope for reducing the operating costs of individual boards so that they are much less than those at present being borne by Government: and this is something which can be discussed with the CBI.

(b) The proposals for legislation are summarised in paragraph 9 of the paper and will probably be acceptable. The Bill has been substantially drafted but, if it is to be introduced in time, firm policy decisions must now be taken.

(c) It seems right to encourage the MSC to prepare a document on wider training issues. There seems no need at this stage to take a decision on whether it should be published jointly with the Government or how it should fit in with other longer term work. This can be decided when more is known of the MSC's ideas.

(d) Ministers may want to decide now whether a White Paper should be published with the Bill, rather than leave it to the Secretary of State for Employment to give further thought. The CPRS's ideas on the topics to be covered are in their paragraphs 4 and 5. If there is to be a White Paper the Secretary of State for Employment would expect his officials to take the lead in its preparation consulting other Departments as necessary. This could be done through the Department of Employment's inter-departmental Manpower Group. If on the other hand any other Minister were to argue that it should be coordinated by a central department, you might consider inviting the CPRS to take on the task.



(e) There is a similar question over who should take charge of the work to bring together the current exercises of the links between training and education. I understand that the Department of Education and Science would be willing to let Employment take the lead through the Manpower Group. Again if any Minister were to suggest otherwise an alternative would be the CPRS.

(f) The Secretary of State for Employment will clearly have to say something on his training plans in the Debate on the Address. The substance will turn on how much the Committee is able to agree either tomorrow or, if time runs out at a renewed discussion next Tuesday.

CONCLUSIONS

4. In the light of the discussion you will wish to record conclusions on the 6 points listed in paragraph 18, with priority given to 18(a), (b) and (f).

5. If time runs out the papers could be put on the Agenda for the Committee's next meeting on Tuesday 25 November. In any event the Committee will need to discuss training further in the New Year in the light of the further work proposed by the Secretary of State.

A handwritten signature in dark ink, consisting of the letters 'R' and 'A' in a stylized, cursive font.

ROBERT ARMSTRONG

17 November 1980