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HOUSE OF COMMONS  
Fourth Report from the  
EMPLOYMENT COMMITTEE  
Session 1981-82

YOUTH UNEMPLOYMENT AND TRAINING: NEW TRAINING INITIATIVE

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The Employment Committee have agreed to the following Report:

YOUTH UNEMPLOYMENT AND TRAINING : NEW TRAINING INITIATIVE

1. The Employment Committee are very concerned about the high level of youth unemployment and the social problems that this leads to. In August 1981 they consulted a wide selection of interested organisations and invited observations on the causes of youth unemployment, suggestions for reducing its harmful effects, and in particular views on the adequacy and effectiveness of existing training provisions and on the new training initiative proposed in the MSC consultative document issued in May 1981. The Committee are grateful for the submissions which were provided in response to their invitation.
  
2. In December 1981 the MSC published a report "A New Training Initiative : An Agenda For Action", which, taking into account the comments received on their consultative document, contained recommendations for a fundamental reform of training in Britain.

3. At the same time the Secretary of State for Employment issued a White Paper, "A New Training Initiative : A Programme For Action", which drew substantially on the MSC recommendations and set out a ten point agenda for action,<sup>1</sup> to provide a framework within which employers, unions, local authorities, educational services and trainees could play their part in modernising the training system in this country.
  
4. The MSC proposed the setting up of a Task Group to report on the structure, scope and content of a general scheme of vocational preparation for young people, including its funding, the timetable for introduction, and the nature and level of participants' income. This proposal was welcomed in their document by the Government, who expressed willingness to consider re-allocating the resources available to young people in any way which might contribute more effectively to their futures.<sup>2</sup> The report of the Task Group, which was unanimously endorsed by the MSC, was submitted to the Secretary of State in April 1982.

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1. para. 3.

2. Cmd. 8455, para. 21.

5. The Committee took oral evidence from the Secretary of State for Employment on the Government's New Training Initiative on 24th February 1982, and from the Institute of Careers Officers on 31st March 1982. In February Members of the Committee visited Birmingham, and in March, Glasgow, and in both cities held discussions with representatives of the Careers Service and local MSC officials, and went to see the operation of specialist schemes, where they talked with the young people who were on the schemes and their supervisors. Visits had already been paid during the two preceding years to Thurso, Newcastle-upon-Tyne, Liverpool, Plymouth,<sup>3</sup> Belfast and Livingston. All these visits gave a direct practical insight into the problems faced in areas of high unemployment and the efforts being made to help unemployed young people. The Committee have also looked into the way other countries have tackled similar problems.

6. Following publication of the MSC Task Group Report the Committee took oral evidence from the MSC and from representatives of MSC Special Programmes Area Boards and major employers.

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3. HC(1979-80)594-i, ii, iii, vi.

7. It is clear from the response to the MSC's consultative document last year<sup>4</sup> and the report of the MSC Task Group that there is widespread recognition among employers, unions, local authorities, educational services and voluntary organisations of the need for a fundamental reform of the training of young people in this country. This has been borne out by the evidence the Committee has received, and the Committee welcome the acceptance of all concerned to play their part. The Committee wish to emphasise particularly the need for commitment by employers and trade unions if the reform of training is to be a success.
8. As mentioned above the Committee took oral evidence from the Institute of Careers Officers and had discussions in Birmingham and Glasgow with individual careers officers with direct experience of the problems in their localities. The Committee were impressed by the dedication of those they met and their depth of knowledge and would like to pay tribute to the valuable work done by careers officers. The evidence provided by the Institute was full and well-argued, and deserves careful consideration by the Government in coming to decisions on the future of training.

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4. A New Training Initiative : An Agenda For Action, para. 4 et seq.,

9. The MSC Task Group covered a wide spectrum of interests, with members representing the CBI, the TUC, local authority associations, professional educational interests, careers officers, and voluntary and youth organisations. The Task Group's report was unanimous, as was its acceptance by the MSC.
  
10. In oral evidence the Chairman of the MSC stressed that the various recommendations in the Task Group Report must be considered as constituting a single package.<sup>5</sup>
  
11. The TUC representative underlined the importance the TUC attached to the voluntary nature of the scheme proposed, both as it affects young people and those who provide them with opportunities. For this reason the TUC were opposed to what they see as the financial compulsion which refusal of supplementary benefit to those unemployed young people not joining the scheme would represent.<sup>6</sup>
  
12. The CBI representative also supported the voluntary approach of the Task Group, on the grounds that young people who had no real alternative but to take part in a scheme would be unlikely to learn or contribute.<sup>7</sup>

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5. QQ.126 -135, 139, 148.

6. Q.136; TUC Press Release on Youth Training Scheme, 11th May 1982.

7. Q.155; Youth Task Group Report, para. 3.14.

13. The Committee welcome the Task Group Report. The fact that representatives of all the major interests concerned agreed unanimously to the report lends it considerable weight. The Committee note that the Task Group are confident that the Exchequer cost of their proposed scheme will not exceed £950 million in 1983-84 or £1.1 billion in 1984-85, which are the resources the Government has made available for MSC youth training schemes in those years.<sup>8</sup> The Task Group estimates will need to be carefully checked by the Government to ensure that the Exchequer cost is in fact within the resources available and does not add to the total cost to the public funds.
14. The Task Group Report contains many elements in common with the Government's White Paper, eg. the need for a guarantee of training places for all unemployed 16 year olds, moves towards education or planned work experience with training for all under 18 year olds, the content of training, the length of the course, off the job training, and machinery for delivery.
15. There are also some points of difference which will need consideration by the Government. One of these is the treatment of supplementary benefit.

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8. Youth Task Group Report, para. 5.26.

16. The White Paper envisaged a change in the provision of supplementary benefit, under which in general unemployed minimum age school leavers would not receive supplementary benefit in their own right until 1st September in the year after that in which they leave school.<sup>9</sup> (As an exception to this general proposal, the benefit needs of special groups among young people, broadly those who can claim supplementary benefit while still at school, would continue<sup>10</sup>).
17. The Task Group Report, on the other hand, recommended that supplementary or unemployment benefit should continue for those young people neither in work nor in the programme.<sup>11</sup>
18. There are differences of view within the Committee about the Government's proposal in the White Paper. The majority think that the Government's approach is right in principle, but consider it important that the new scheme should get off to a good start, and that any change in the rules for supplementary benefit should only be introduced at this time if it would not prejudice the introduction of the scheme. The minority also want the scheme to get off to a good start, but believe that abolition of supplementary benefit at this time would

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9. Cmnd. 8455, paras. 35-6.

10. Ibid., para. 37.

11. Youth Task Group Report, para. 7.15.



put the credibility and effectiveness of the programme at risk and consider that supplementary benefit should be retained for all unemployed school leavers.

19. However the Committee are agreed that if and when the Government proceeds with legislation for changes in the provision of supplementary benefit these should include a further exemption in addition to the special groups already referred to.<sup>12</sup> As the Task Group pointed out,<sup>13</sup> many young people would enter the programme before September and many others between September and Christmas, so that, through no fault of their own, there would be times in the period up to September in the year after they left school when some young people were neither in work nor on the scheme receiving an allowance. Supplementary benefit should not be taken away from such young people or any others who have not been given a reasonable offer on the scheme, taking into account such matters as the suitability of the training in the light of the aptitudes of the young person, and travel and other difficulties which may be associated with the particular offer. With this modification of the Government's proposal, supplementary benefit would then be stopped only from youngsters who unreasonably refuse a training opportunity which they are capable of taking up.

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12. *supra*, para. 16.

13. Youth Task Group Report, para. 7.15.

20. There are two other matters to which the Committee would like to refer. In paragraph 4.4 of the Task Group Report it is said that it is desirable that 18 year olds with special needs (eg. disabled young people) should be covered. The Committee recommend that this group (which should also include the educationally subnormal) should be included in the scheme from the start: they understand from oral evidence by the MSC that this would not greatly disturb their calculations.<sup>14</sup>
  
21. There is great need on the part of the Government to make certain that in any scheme dependent on sponsors those young people who for one reason or another are least attractive to sponsors should be given adequate opportunities. It is important that the Government make clear how this is to be achieved.
  
22. The foundation training provided under Youth Training Schemes must be designed so as to accommodate in a suitable form the least able or the disadvantaged, particularly those whose attendance at school has been poor. Adequate Government funding should be made available to ensure that there are Community Industry type places for these youngsters.

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14. QQ. 184-5.