

MEMORANDUM FOR THE CABINET
BY THE HON. PRIME MINISTER

- (a) Payment of subsidies to Employers who take on and train redundant Service Employees, and
- (b) Allowances to redundant Service Employees undergoing training in Government centres.

Ministers will recall that the Joint Mission, in Chapter 8, paragraph 22 - Training and Placement, of their report, recommended the payment of first year subsidies to employers willing to train redundant men placed by the Authority in their factories, and also recommended the payment of subsidies to employers recruiting through Government Training Centres, redundant men who still remain ineffective until they have undergone planned experience.

2. The Mission recommended that with regard to the first category of men, the percentage payment for a man transferred in his own trade (but with an unfamiliar product) should be 20% of basic earning, and 50% for men who must be completely retrained. As regards the second category, the Mission recommended that the subsidy should be related to basic earning in the trade concerned, and should be 25% for the first three months, 20% for the next three months, and 10% for the remaining period of about six months.

3. This evidently means that there should be two categories of subsidies:-

- (a) in respect of redundant men placed by the Placement Authority immediately on discharge because of lack of training facilities; and
- (b) in respect of redundant men who have passed through the training centres but who remain ineffective because they still need to acquire experience on the job.

4. At their first meeting, the Advisory Committee on Training and Placement recommended urgent action for the implementation of paragraph 22 of Chapter 8 of the Joint Mission's Report, relating to subsidies to employers, and that the question of allowances to men undergoing training in Government Training Centres should likewise be pursued. Accordingly two schemes have been drawn up which are designed to cover those employees due to be discharged within the first six months of 1968-69 (April-September). The two schemes are complementary to one another, as the Advisory Committee is not yet in a

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... position to know how many men would be diverted to the Industrial and Commercial Sector, and how many would go to the Government Training Centres. These two schemes are outlined at Appendix A and Appendix B, respectively, and they indicate the estimated amount of funds required to finance these schemes for the six months' period envisaged, as well as the provisional number of redundant employees who would have to be catered for. This number could well be reduced, and in fact already has been reduced, as a result of men finding jobs for themselves, dying, emigrating, nearing the retirement age and deciding not to seek further employment, etc..

5. It is proposed that the Ministry of Labour, Employment and Welfare, should be the agency responsible for the payment of subsidies to employers, and the Ministry of Education, Culture and Tourism, for the payment of allowances to employees undergoing training in Government Centres.

6. The provision of funds is not expected to pose any problem in respect of 1968-69. An amount of £100,000 has been provisionally earmarked for 1968-69 for the purpose envisaged in the Joint Mission's Report, and funds can be drawn upon immediately if necessary in the current year under Head 52 - Technical Education - Item 3 - Vocational and Industrial Training. The estimated amount required for the first six months of 1968-69 is in the region of £75,000. It is likely that a greater amount will be required for the second six months of 1968-69, when the probability is that a greater number of men to be discharged will require training. However, it is not anticipated that there will be any difficulty in finding the finance required.

7. Clearly, if the fullest co-operation is to be expected from employers, the Advisory Committee must be in a position to tell them forthwith how far they can expect help by way of subsidies, etc.. The committee, must, therefore be in a position to give this information and to be able to draw up on funds to meet commitments both with the men and their employers, as the success of the scheme depends on how quickly the overall situation operates and how speedily payment of allowances to the men and subsidies to employers can be effected.

8. Ministers are therefore kindly requested to say whether the schemes should be put into operation forthwith, and the Advisory Committee authorise to inform employers accordingly. Ministers are also asked to say whether they agree with the proposal in paragraph 5.

27th February, 1968.

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APPENDIX A.

MEMORANDUM REGARDING THE PAYMENT OF SUBSIDIES TO EMPLOYERS

For the purpose of this exercise the basic minimum wage in all trades and occupations has been taken at £8. Furthermore all the figures arrived at below are in respect of the first six months of the "undown i.e. APRIL TO SEPTEMBER 1968.

NON INDUSTRIALS

All non-industrial grades, with the possible exception of 23 Telecommunication Operators, will need an estimated three months' training to be reorientated in jobs similar to those previously held by them with the Services. Relying on the data furnished by Mr. YARRAN, a simplified version of which is herewith attached (Enclosure X) the number due for discharge in this category is 77.

The Joint Mission Report proposes a subsidy to employers of 20% of the basic wage.

The Telecommunication Operators of which there are 23, will, in all probability, need a longer and more intensive period of training as these will have to be completely retrained in a different occupation. It is assumed that such period of training may last six months. Their training will be given at Government Training Centres.

The cost of subsidies payable to employers for 77 non-industrials is estimated to be £1,602.

INDUSTRIALS

Enclosure list 'Y' covers 201 Industrials, 132 persons (shown by an asterisk) are engaged in unskilled or other occupations and would need training either in full-time employment in industry or in Government Training Centres. Of the above 132 persons, 77 can be retrained at Government Training Centres and 55 will be placed in employment in industry for complete retraining. The subsidy to employers to train the 55 persons concerned at 50% of the basic wage, for the first six months would amount to £5,720.

The remaining 69 skilled persons need only a few months of training or reorientation. If this training period is based on three months, the subsidy to employers would again be 20% of basic wage, amounting to £1,435.

The proposed subsidy on the lines explained above would total: £8,757.

NON - INDUSTRIALS					
	NAVY	R.A.F.	ARMY	M.P.B.F.	TOTAL
Clerks	3	41	4	3	51
Draughtsmen			1		1
Draughtsmen A. & C.E.				2	2
Machine Operators		1			1
Quantity Survey Assistants				2	2
Retired Officers (on clerical duties)			2		2
Shorthand Typists		4	2		6
State Enrolled Nurses		1			1
Telecommunication Operators			23		23
Tracers				1	1
Typists/Copy Typists		7	2	1	10
Totals	3	54	34	9	100

INDUSTRIALS						
	NAVY	R.A.F.	ARMY	M.P.B.S.	TOTAL	
Assistant Laboratorymen	4				4	
Batmen/Women		40	8		48*	48
Blacksmiths	1				1	
Cleaners (Female)	2				2*	2
Cooks/Cook Assistants		3			3	
Cooks Head		1			1	
Coopers	1				1	
Coppersmiths	1				1	
Domestic Stokers		1			1*	1
Drivers Motor Transport		24	2		26	
Duplicator Operators		1			1*	1
Electrical Fitters	1			1	2	
Fitters	8				8	
Fork Lift/Crane Drivers	1				1	
Gatekeepers			1		1*	1
Joiners	1				1	
Labourers	5	9	1		15*	15
Laundry Maids	1				1	
Leading Examiners	2				2*	2
Liftmen		1			1	
Mechinist Metal		1			1	
Mechanical Examiners	1				1	
Mechanical Fitters	1				1	
Messengers	1				1	
Mess Servants		4			4*	4
Motor Transport/Vehicle Fitters		5			5	
Sanitary Orderly			1		1	
Shipwrights	1				1	
Skilled Labourers	29	16	1	2	48*	48
Stewards		1			1*	1
Storehousemen	2				2	
Storehousemen Assistants	3				3	
Storemen			2		2	
Watchmen			9		9*	9
Totals	66	107	25	3	201	132*

* in unskilled or other occupations.

MEMORANDUM RE FINANCIAL REQUIREMENTS
INCLUDING ALLOWANCES FOR DISCHARGED
PERSONNEL IN GOVERNMENT CENTRES

For the purpose of this exercise the basic minimum wage in all trades and occupations has been taken at £8. Furthermore all the figures arrived at below are in respect of the first six months of the Rundown i. e. APRIL TO SEPTEMBER 1968.

(a) ALLOWANCES:

The funds required to train for six months 100 persons (77 industrials and 23 non-industrials, Telecommunication Operators) paying an allowance of £5 per head per week, which represents the difference between the average wage of £8 and the benefits (unemployment and/or assistance) received from Government, which would normally amount to £3, works out at

£13,000

(b) MATERIALS:

Material reckoned at -/6d per
man-hour

£ 2,600

(c) ADDITIONAL TEACHING STAFF:

Six (6) additional instructors and/or
over-time to existing instructors

£ 1,950

(d) ADMINISTRATIVE STAFF:

It is presumed that this programme of training would require two of each of the following categories: Clerical Officers, Clerk-Typists, Storehousemen and Caretakers. The provisions required would be in the region of

£ 1,650

(e) EQUIPMENT:

1.	G. I. T. C.	-	£17,500	
2.	Msida			
	Catering	-	£2,000	
3.	M. C. A. S. T.	-	£3,500	
				£23,000

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(f)	<u>ACCOMMODATION :</u>		
	1. G.I.T.C.	-	£18,250
	2. Msida		
	Catering	-	£4,000
			<u>£22,250</u>

NOTE : Both amounts at (e) and (f) represent half that applied for in schedule attached to letter-minute dated 10th August, 1967, addressed to Principal Assistant Secretary, Economic Planning

(g)	<u>CONTINGENCIES :</u>		
	1. G.I.T.C.	-	£900
	2. Msida		
	Catering	-	£500
	3. M.C.A.S.T.	-	£600
			<u>£2,000</u>
	TOTAL		<u>£68,450</u>

It is to be pointed out that as information relative to the ages of employees due for discharge is not available at the present stage, it has been assumed that training would be given to all discharges, irrespective of age.