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with AT



DEPARTMENT OF EDUCATION AND SCIENCE

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FROM THE SECRETARY OF STATE

*John Pinner*

The Rt Hon Peter Rees QC MP  
Chief Secretary  
Treasury  
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CHIEF SECRETARY
REC'D 13 FEB 1984
Mr. Gulpin
PPS P/ESS
Misc
Sir Middleton
Mr. Bunting

14 February 1984

- Mr. Ansar
- Mr. Macke
- Mr. Laell
- Mr. Pestell
- Mr. Gordon
- Mr. Schlar
- ~~Mr. Gulpin~~

*John Pinner*

TRAINING FOR JOBS

*mb 5/84*

I very much agree with Patrick Jenkin's reply of 8 February to your 27 January letter. We have trouble enough with the local authorities, both generally and on education, without seeking to use our new policies on NAFE as a means of penalising them and their rate-payers through a premature and excessive reduction in grant. To the extent that these policies threaten the public expenditure planning totals in 1985-86 and beyond it must be right, as you suggest, to look for offsetting savings in Tom King's programme.

I have now seen your further letter of 10 February. I do not think we can proceed as your fourth paragraph suggests. As Patrick says, we must begin by reducing planned provision for local authority expenditure on NAFE. We shall then have a lower total of local authority current expenditure than would otherwise have been the case when we come to determine aggregate exchequer grant for 1985-86. This reduction is only one of the factors we shall need to take into account when making the RSG settlement for 1985-86.

Officials here will be in touch with the Welsh Office and other Departments about the division between England and Wales of the planned reduction of £65m and £110m in local authority expenditure on NAFE.

I am sending copies of this letter to those who had yours.

*John Pinner*

*10/18/2*