

CCBS



CABINET OFFICE,
WHITEHALL, LONDON SW1A 2AS

Chancellor of the Duchy of Lancaster

Tel No: 233 3299
7471

23 April 1986

The Rt Hon John MacGregor OBE MP
Chief Secretary to the Treasury
Treasury Chambers
Parliament Street
LONDON
SW1 3AG

Prime Minister

This would be a very ~~sharp~~
slippery slope - the Treasury should
react fiercely. *DR*

D John,

VOCATIONAL EDUCATION AND TRAINING WHITE PAPER

I have seen ^{at 11:45} your letter of 3 April to David Young, and David's reply of 14 April.

I sympathise with your view that, if David has savings available from within his PES provision, then these ought to be considered in the PES process alongside any proposals he might have for increases in provision, of which additional expenditure on the TVEI would be one. Of course, we should note that the new arrangements for PES this year encourages our colleagues themselves to net off changes in their programmes, so as to remain within their overall PES provision.

I think, however, that we need to be realistic in the way that we react to proposals coming forward now, which have future public expenditure implications. In this case, the proposal carries a high priority, both with the Department's own programmes, and in relation to other programmes, and is able to be funded from within existing resources. I do not see that we could reasonably expect that it would not be agreed to in the course of the PES discussions. In these circumstances, I believe that we should not stand in the way of operational considerations which point to an earlier announcement than would strictly be in accordance with the PES process.

I attach considerable importance to the further extension of TVEI and, subject to an examination of the options, I hope that you will agree to announcement in a White Paper in June.

I am sending a copy of this letter to the Prime Minister, Cabinet colleagues, and to Sir Robert Armstrong.

[Signature]
NORMAN TEEBIT

EDUCATION: TV61 A2

