

RESTRICTED

CERG



N BPN.

Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Lord Young of Graffham
 Secretary of State for Employment
 Department of Employment
 Caxton House
 Tothill Street
 London
 SW1H 9AN

20 June 1986

Dear Secretary of State,

DRAFT WHITE PAPER ON VOCATIONAL EDUCATION AND TRAINING

Thank you for sending me a copy of your draft White Paper on Vocational Education and Training. ^{at 11.15}

As you say, the details of the text - and the date of publication or indeed whether we make an announcement at all - will depend on our discussions next week on an extension of the TVEI and your public expenditure position. The only possible basis for an agreement this month would be if you undertake for this Survey to accommodate the costs of your proposals within your existing baselines for each year, and to take specific identified actions to deliver those baselines.

You mention in your covering letter that you see the White Paper as setting the tone for further policy statements which you hope to make in the Autumn. I will look forward to seeing what you want to say; in the meantime, I could only agree to publication of this White Paper on the basis that it in no way commits us to further statements. Moreover, you will understand that I could not agree to the announcement in the autumn of any new programmes which require expenditure beyond that allowed for in your existing baseline. Against this background, at least the second half of the last sentence of 1.11 should be deleted (stopping therefore at "... and education").

If the White paper were to go ahead, paragraph 3.22 of the draft would need to reflect the decisions we reach about the level of funding. It should also reflect the spread of expenditure at least over the early years concerned. We will also need to

RESTRICTED

RESTRICTED

make it clear that the TVEI extension, while it represents additional money for education authorities, is being financed from within your existing resources.

Paragraph 4.8 of the draft announces that the "Christmas guarantee" (that those 16 year olds who are still unemployed will be given a place on YTS by Christmas) will hold for a 2 year place not just for 1 year. I can only agree to this on the basis that the last sentence of the paragraph is deleted: it diverts attention unnecessarily from what we have done to what the Government is not doing.

In order to preserve your room for manoeuvre to keep to your commitment to live within the resources available for YTS, the second clause of the last sentence of 4.15 should be deleted; the sentence would end "... within our grasp."

In view of the importance which the Government has attached to the evaluation of policies and the demonstration of value for money, I think that there is a strong case for the White Paper saying rather more about the specific aims and measures of success for the main new programmes announced.

I gather that the draft is now being shortened and revised. I think that a shortening would be helpful. I would be grateful to see a further draft when it is available.

I am copying this letter to the Prime Minister, the Lord President, the Chancellor of the Duchy, the Secretary of State for Trade and Industry, the Secretary of State for Scotland, the Secretary of State for Wales, the Lord Privy Seal, and the Chief Whip.

Yours sincerely,

John Luther

pp JOHN MacGREGOR

(Seen and approved by the
Chief Secretary and signed in
his absence)