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My ref:

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David Mellor MP  
Minister for Health  
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*MBM*

*11/6*  
*14/6*

13 June 1989

*Dear David*

*WILL REQUEST IF ACQUIRED*

Thank you for copying to me your letter of 22 May to John Major which forms your bid for specific grants for local authorities for personal social services.

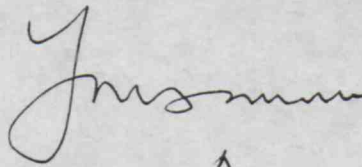
I am pleased that the new specific grant this year in support of expenditure on AIDS and HIV services has been well received by local authorities and is enabling your Department to target resources effectively. I agree that grant provision should be scaled up in line with best estimates of the increase in the number of people affected by AIDS and HIV, subject of course to close monitoring by your Department of the effectiveness of the grant programme.

I am content that the existing Training Support Grants for staff working with the elderly and with children should continue, at least for 1990/91, and that these grants should be uprated for inflation. However, I think the performance of these grants, particularly that for staff working with children, should be reviewed before a commitment is made for subsequent years. You say that the indications are that in its first year TSG for staff working with the elderly provided a stimulus for local authorities to improve the quantity and quality of training. However, I wonder if it is clear at this stage that we will need to continue to prime this particular pump for another three years.

You have also proposed to extend the training grant to cover three new areas; practice placements, post qualifying studies and, implementation of the Children Bill. I do not believe it is appropriate to provide an additional specific grant in support of every new training initiative that is introduced. The effect of such grants would be to encourage local authorities to increase their own spending in these areas without necessarily reorganising their priorities and reducing spending elsewhere in their programmes. If you wish to provide support for new initiatives is it not possible to do so at the expense of some "old" initiatives?

I recognise that you may subsequently wish to make a supplementary bid for a minor specific grant (or grants) in support of community care, subject to colleagues' views on the possible need to influence local authority decisions in particular areas of these services. Colleagues have already agreed, of course, the Exchequer support or local authorities' community care functions should be directed mostly through the general needs grant.

I am copying this letter to the Prime Minister, Members of E(LA) and to Sir Robin Butler.



NICHOLAS RIDLEY

