

CONFIDENTIAL

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Treasury Chambers, Parliament Street, SW1P 3AG

David Mellor QC MP
Minister for Health
Department of Health and Social Security
Richmond House
79 Whitehall
London
SW1A 2NS

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28 June 1989

Dear David,

1989 SURVEY: PSS SPECIFIC GRANTS

Para P142 Para P144

Thank you for your letter of *22* May. I have also seen Nick Ridley's letter of 13 June.

I have considered carefully the case you have made for continuing and new specific grants for personal social services. In the interests of reaching a settlement which is both fair but fully justified and defensible, I am prepared to make an offer which I hope you will be able to accept as the basis for agreement.

I can agree (subject to one point below) to the extension over the Survey period of the grant for people with AIDS/HIV, and to the continuation for a further year of the grants for the training of social services staff working with the elderly and children, which Nick Ridley also supported. I am however also prepared to extend the training grant to cover two new areas - the training consequences of the Children Bill, to ensure that the Bill's provisions are properly and smoothly implemented; and, for 1990-91 only, for post-qualifying training to correct perceived management deficiencies in the SSDs.

But, in return, I would ask you to withdraw the bid in respect of practice placements. We will have a chance to consider collectively in H Committee later in the year the wider position on social services training. I am not convinced that a specific grant would necessarily solve the problems to which you refer, for example the high turnover of practice teachers. In any case I understand that the procedures under which CCETSW would operate the grant on your behalf have not yet been drawn up, and no monitoring arrangements have yet been settled. I could not agree to a new specific grant on that basis.

While I can agree to continuation of the AIDS grant over the Survey period, I think it would make sense at this stage - in view of the uncertainty about the likely incidence of AIDS/HIV cases over the coming years - simply to roll forward the agreed level of grant for 1990-91 into the later Survey years. We can then consider the appropriate provision for the later years on a year by year basis. And while I accept the case for the continuation of the elderly and child care grants for a further year, and their merger into a single programme, it would be better, as Nick suggests, to defer decisions on the later years until we have clearer evidence of their effectiveness (in time for the 1990 Survey), on the basis of the end-year progress reports prepared by the local authorities.

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

Yours Faithfully
John Major

JOHN MAJOR

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