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Treasury Chambers, Parliament Street, SW1P 3AG

David Mellor Esq
Department of Health
Richmond House
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LONDON
SW1A 2NS

10 August 1989



Dear Minister,

1989 SURVEY: PSS SPECIFIC GRANTS

+ MAP A42

Thank you for your letter of 26 July.

I welcome the fact that you are broadly content with the package of new and continuing specific grants for personal social services proposed in John Major's letter of 28 June. To summarise, we are now agreed that the AIDS support grant should continue throughout the Survey period at a flat £9.8 million; that the existing training support programmes for the elderly and childcare should continue for a further year in 1990-91 at a combined level of £14.9 million; and that there should be two new grants: £2.5 million in 1990-91 and £1.5 million in 1991-92 for the training requirements associated with the Children Bill, and £2 million in 1990-91 only for a post-qualifying training programme aimed at improving management deficiencies in the SSDs. I am grateful to you for not pressing your bid for the practice placement programme.

There remains your suggestion that the childcare programme should be extended for a further year now, into 1991-92. I would however much prefer to defer for the time being any further decisions on the training support programme for the later years, and to consider this instead in the autumn in the context of the wider review of the proposals you are developing for a comprehensive strategy to improve social services training. If at that time we agree in principle to extend the grant for a further year, the local authorities involved would

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have sufficient advance warning of the need to plan ahead beyond 1990-91. The childcare grant will moreover have been in operation for several months by the time of the review, and the elderly grant for some 18 months, with the end-year report for 1988-89 available to inform our discussions. We should therefore be in a rather better position at that stage to make a valid assessment of progress with these grants so far. It would in any case be undesirable, and possibly confusing, to give a commitment now to continue with one element of what will from 1990-91 be a composite grant programme.

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

Yours sincerely,

P. Wanless

PP NORMAN LAMONT

[Approved by the Chief Secretary
and signed in his absence.]

