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From the Secretary of
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Norman

1990 SURVEY : PERSONAL SOCIAL SERVICES : SPECIFIC GRANTS

Thank you for your letter of 16 July setting out your proposals for Personal Social Services specific grants in this Survey. I am broadly content with what you propose, but there are a few points I wish to make.

On the AIDS grant, I am prepared to accept the figures you propose, but I am not prepared at this stage to commit myself to a reduction in the level of grant to 50% in 1993-94. Our prime aim in having this grant is to enable those authorities facing the greatest demands - fortuitously, because of where the treatment centres are - to develop services for this group rapidly. I am prepared to accept that the pace of development is related to forecasts of the numbers of people alive with AIDS, and this was reflected in my bid. I do not accept however that the distributional problem is likely to go away. I suggest that we return to the future rate of grant in next year's Survey.

I am content with what you propose on the Mental Illness specific grant and on that for drug and alcohol misusers. I also accept that the need for increases in the Training Support Grant in response to Community Care is now less. I am however disappointed that you have not recognised the particular need for improvements in post-qualifying training. The lack of this has been criticised by a series of enquiries, and of course, if I am to signal my strong desire for an improvement in the management of social services departments, investment in management training will be critical. Virginia Bottomley made this abundantly clear in her paper to H Committee, and you will recall that colleagues were supportive of our aims.

However, in the interests of reaching a settlement, I am prepared to accept your offer on the training grant. I will need to return to the post-qualifying point in next year's Survey. Without a significant increase then the phased implementation of community care will lose credibility.

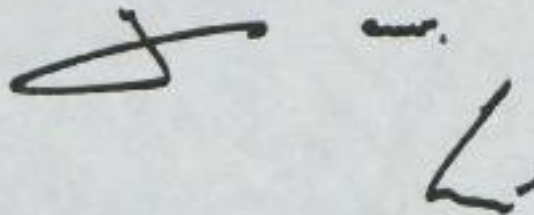
I am also disappointed that you do not recognise the need to put this programme in line with all my others by agreeing that provision should roll forward in the normal way. It seems to me faintly absurd that we should have to discuss this programme from a zero base annually rather than considering changes as we do in all other areas. I entirely accept that the purpose of the grants and their effectiveness needs to be kept under review. That is no less true on any of my other programmes where provision does roll forward. The fact that you are prepared to agree to the grants continuing through the Survey period is helpful, but while I am prepared to accept your offer as it stands, I remain convinced that the arrangements are unsatisfactory and I shall return to this point in next year's Survey.

I am pleased that you are content for me to vire between these grants as circumstances dictate. This flexibility will enable better use to be made of these resources - small in the context of overall PSS spending, but strategically significant as they are.

I am not sure that it would be right for us to settle your proposals on the Urban Programme bilaterally as you suggest. Others - and in particular Chris Patten - have a considerable interest. Since we have already settled the AEF envelope, within which both my specific grants and the Urban Programme lie, I am also unsure how surrendering my provision will in any meaningful way go towards meeting the costs of my proposals. Ending the Government consensus on urban funding by withdrawing only my Department's contribution seems an unhelpful step.

I would like to consider the views of colleagues before accepting this part of your proposal.

I am copying this to the Prime Minister, members of EL(G) and to Sir Robin Butler.



KENNETH CLARKE

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