

CONFIDENTIAL~~CE NO.~~

Caxton House Tothill Street London SW1H 9NF

Telephone Direct Line 01-213 6400.....

Switchboard 01-213 3000

The Rt Hon Sir Keith Joseph Bt MP
Secretary of State
Department of Education and
Science
Elizabeth House
York Road
LONDON
SE1

16th July 1984

Mr Keith

SPECIAL EMPLOYMENT AND TRAINING MEASURES

I am surprised that in your letter of 12 July to Peter Rees you question the use of reduced requirements on YTS for redeployment to other employment measures.

Since 1979 we have had a well-tried method for reviewing these Measures because they form a coherent programme. Indeed, now that training is such an important element in them and the creation of jobs is the other main theme, they are more cohesive than they used to be and it is even more important that they should be reviewed collectively. Each year officials, including yours, prepare a report for us on the basis of which we consider the need for new measures, the abolition or adjustment of existing ones and the scale of the whole programme in the light of our objectives. In particular, they all contribute to reducing unemployment and the distribution between the Measures of the provision (including estimating changes) needs to take account of that objective. That being so, and in view of the care with which colleagues here supervise these Measures, I believe it is for me to make proposals for deploying the provision between them.

Since we consider the Measures as a whole the PES provision for the Measures taken together is the proper financial background to our decisions. If there are reduced requirements overall they are plainly the first source of provision for any net increase in other established programmes which we may decide. YTS is not the sole source of reduced requirements on these Measures. This year, as in previous years, some Measures are

CONFIDENTIAL

CONFIDENTIAL



forecast on existing policies to need extra provision. These Measures are difficult to forecast and there is inevitable under and over-provision on particular ones. It would be wrong to consider each Measure's requirements separately.

Of course our decisions about the Measures and their expenditure implications have to be set in the wider context of the Survey as a whole. That is facilitated, not hindered, by discussing them after we have established our general stance as we did on 5 July and before the bilaterals.

I am copying this letter to the Prime Minister, Peter Rees and George Younger.

[Handwritten signature]

Manpower: Emp Hearnes
PT10

8
7
6
5
4
3
2
1
S
R
P
D
K
T
I

16 JUL 1984

010

G1SS36

YTS
AT 12/7

CONFIDENTIAL

CC/NO



NBPM

AT

12/7

1

DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE, YORK ROAD, LONDON SE1 7PH

TELEPHONE 01-928 9222

FROM THE SECRETARY OF STATE

12 July 1984

Dear Peter,

SPECIAL EMPLOYMENT MEASURES

will request if required

I have seen the draft E(A) paper which Tom King's office sent to George Younger's on 9 July.

I do not believe it is right to assume that large estimating savings on the YTS are available for redeployment to other employment measures. We ought to consider this in relation to the needs of other programmes ie as part of the 1984 Survey as a whole. I hope you will support this line in E(A).

Younger

King

PS I am sending copies of this letter to the Prime Minister, George Younger and Tom King.

The Rt Hon Peter Rees QC MP
Chief Secretary
Treasury
Parliament Street
London SW1P 3AG

CONFIDENTIAL

11 12 1
2 3 4
5 6 7
8 9

11 JUL 1984