

(CONFIDENTIAL)



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18/17

WMA AT 207

Treasury Chambers, Parliament Street, SW1P 3AG

Judith Rutherford  
PS/Secretary of State for Employment  
Department of Employment  
Caxton House  
Tothill Street  
LONDON  
SW1H 9NA

19 July 1984

Dear J.J.H

**YOUTH TRAINING SCHEME ALLOWANCE**

Following the postponement of E(A)'s discussion of special employment measures, your Secretary of State asked whether the Chief Secretary would reconsider the proposal for an increase in the YTS allowance. The Chief Secretary has reflected further and is prepared to agree to the proposed increase on the clear understanding that it will not prejudice the forthcoming discussions about the overall provision for special employment measures and, in particular, that it is consistent with the option for making savings of around £200m in 1985-86 and over £300m in each of the two subsequent years that he mentioned in his minute of 16 July.

Copies of this go to Elizabeth Hotkinson, John Graham, Colin Jones, Steve Godber, Andrew Turnbull, and Richard Hatfield.

Yours sincerely  
Jst. Gieve

**JOHN GIEVE**  
Private Secretary

(CONFIDENTIAL)

104/22

Manpower Pt 10

Special Exp. Measuring





NBPM  
AT 20/7  
CDO

Caxton House Tothill Street London SW1H 9NF

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

Switchboard 01-213 3000

John Gieve Esq  
Private Secretary  
HM Treasury  
Great George Street  
LONDON SW1

20 July 1984

Dear John,

YOUTH TRAINING SCHEME ALLOWANCE

Thank you for your letter of 19 July.

My Secretary of State is grateful for the Chief Secretary's agreement to the proposed increase in the YTS allowance. He is able to confirm that this will not prejudice the forthcoming discussions about the overall provision for special measures or, in particular, the option for making the savings to which you refer. My Secretary of State is thus making arrangements for an immediate announcement of the increased allowance - hopefully later today.

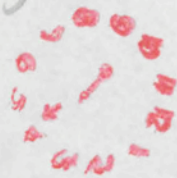
Copies of this go to Elizabeth Hodgkinson, John Graham, Colin Jones, Steve Godber, Andrew Turnbull and Richard Hatfield.

Yours sincerely  
Judith Rutherford.

JUDITH RUTHERFORD  
Private Secretary



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20 JUL 1984