



CCND

CONFIDENTIAL

PRIME MINISTER

DEPARTMENT OF EMPLOYMENT GROUP: VALUE FOR MONEY SEMINAR

I have now had time to reflect on the value for money seminar you held to discuss the DE Group with Tom King.

We have resolved the question of targets for the DE Group - I shall be letting you have a report on the targets review shortly. But I am left with some concern about the management of those schemes in the DE area which are growing very rapidly. Expenditure on the Employment measures and YTS has almost doubled in three years to £1.9 billion for 1985-86. This is a huge increase for any organisation to absorb. I know the DE statisticians and economists assess the value of the measures but a stocktaking look at the delivery and achievement of the measures against their objectives would be valuable.

I do not think it is practicable to look at YTS now as the change to a two year scheme is under way but the other areas, particularly the Community Programme, will spend £1100m in 1985/86. A scrutiny may be the best way of looking thoroughly at the objectives, management and delivery of these programmes.

I am attaching a possible draft for your private secretary to send to Tom King, if you agree.

*Robin Ibbs*

p.p. ROBIN IBBS  
11 July 1985

*(Approved by Sir Robin Ibbs and signed in his absence.)*

DRAFT PRIVATE SECRETARY LETTER TO TOM KING'S PRIVATE SECRETARY

VALUE FOR MONEY SEMINAR: DEPARTMENT OF EMPLOYMENT GROUP

At the Prime Minister's meeting on 5 June with your Secretary of State a number of issues were touched on but there was not time to discuss scrutinies in the DE Group.

Expenditure on Employment Measures has been rising rapidly. Including the YTS, the cost of Employment measures has almost doubled in three years to £1.9 billion for 1985-6. The Prime Minister is aware of the helpful work done by the Manpower Group to assess the value of measures but considers that a scrutiny of the delivery and achievement of the policies against their objectives would be valuable. Because of the change in the YTS to a two year scheme which is now under way the Prime Minister does not think it practicable to look at that just now. But she thinks that the other areas (and particularly the Community Programme) which will spend £1100m in 1985-86 would be a good area for scrutiny.

I am sending a copy of this letter to the private secretary to the Chief Secretary to the Treasury, Brian Nicholson at the MSC, Sir Robin Ibbs and Sir Robert Armstrong.

The PM <sup>realised</sup> ~~it was~~ that  
it may be said that the  
YTS is at a period of change  
and there was a recent scrutiny  
of the Community Programme.  
But the very rapid growth  
of these programmes <sup>and the huge sums of money  
involved in them</sup> make it  
particularly desirable that they  
should be subject to scrutiny and  
the PM would be grateful if your S of S  
would discuss with Sir Robin Ibbs what a  
scrutiny could most helpfully be undertaken

