

MR BUTLER

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DEPARTMENT OF EMPLOYMENT: VALUE FOR MONEY

I thoroughly agree with Mark Addison that the YTS should be investigated. The fact that the Scheme is changing is a positive advantage: there is a chance that a quick scrutiny now could be put into practice before anyone has a vested interest in opposing its recommendations.

I do not, however, agree with Mark about the CP. Peter Morrison has certainly kept a firm hand on the Programme; but he has not, so far as I am aware, had time to consider whether changes in the management system could deliver better results. The Coopers & Lybrand study last year - to which Mark refers - dealt only with financial control in the narrow sense. The last full Rayner Scrutiny was in 1982. A repeat of that, covering all the special measures, is most unlikely to do any harm, and may do some good.

I would alter the last two sentences of paragraph 2 in Sir Robin Ibbs' draft to read:

"Given that YTS is now expanding, the Prime Minister thinks that a quick scrutiny of the Scheme would be opportune. She also believes that the special measures (particularly the Community Programme) deserve a full investigation, since they will spend £1,100 million in 1985-86."

Robin Butler

*Oliver Letwin*

OLIVER LETWIN

I had a word with Olive, and have now checked on the date of the most recent scrutiny of CP. It was in fact completed just over a year ago. I stick by my earlier advice.

MB 15/7