



CABINET OFFICE

*From the Chancellor of the
Duchy of Lancaster*
Lord Gowrie

MANAGEMENT AND PERSONNEL OFFICE
Great George Street
London SW1P 3AL
Telephone 01-233 8610

The Rt Hon Leon Brittan QC MP
Home Secretary
50 Queen Anne's Gate
London SW1

n b pm
pub
19/2 14 February 1985

Dear Lem Lee - pt. 16 (continued)

CIVIL SERVICE COLLEGE: NEXT STEPS ON REPAYMENT

I wrote to colleagues on 23 August 1984 proposing a phased programme from April 1986 to move the bulk of College developmental training to full repayment by departments. I explained that I was asking the College Repayment Steering Group - an official inter-departmental committee - to draw up a programme to achieve this. Colleagues were content with my approach and the detailed discussions have been going on for some little time now. This letter is to bring you up-to-date and to explain why we now intend that full repayment should be introduced in one step from 1986.

The College Repayment Steering Group, which includes the College's major customers as well as the MPO and Treasury policy divisions, considered a proposal for introducing full repayment for developmental training in two roughly equal stages - on 1 April 1986 and 1 April 1987. To some extent the plan was arbitrary since we had found no totally satisfactory logical way of phasing. The Group's view was that any adverse results in the first year would either not be apparent or be difficult to assess and correct before the second year was upon us, and that the technical problems of negotiating the small PES transfers involved in a staged implementation would be formidable. In short, given that repayment was coming, departments wanted to get on with it. Nevertheless, the risks inherent in full repayment were recognised and the Group saw a need for careful monitoring and, if the worst fears were confirmed, some retreat to central funding might have to be considered.

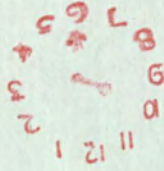
I believe this is the right approach and I am now going ahead on this basis. Of course, a good deal of work remains to be done between now and April 1986. The College will be in touch with your department about PES transfers and the other issues involved either directly or through the Repayment Steering Group.

Copies of this letter go to other Ministers in charge of departments, to the Prime Minister, and to Sir Robert Armstrong.

Yours,
Gowrie

GOWRIE

CIVIL SERVICE
Long Term Pt. 17



19 FEB 1985

CC No



Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon The Earl of Gowrie
Chancellor of the Duchy of Lancaster
Management and Personnel Office
Great George Street
LONDON SW1P 3AL

9th March 1985

*W bpm
MGT 11/3*

Dear Sir,

CIVIL SERVICE COLLEGE: NEXT STEPS ON REPAYMENT

I have seen a copy of your letter of 14 February to Leon Brittan reporting the current position on the proposal to move the bulk of College developmental training to repayment.

I am content for this move to take place in one step on 1 April 1986 provided that the transfers of funds from Cabinet Office (MPO)'s to departments' PES baselines (which I understand your officials have well in hand) are settled by 15 March. This will be necessary to ensure that the transfers are reflected in departments' initial PES baselines for the 1985 Survey.

If some retreat to central funding is considered it must be on the basis that the cost to Cabinet Office (MPO) would have to be covered by a claw-back of funds from customer departments; there would be no question of any extra money being made available.

I understand that even when the present proposals are implemented the College will get about a quarter of its income in a subsidy on overheads from the MPO. I should like to see these costs also recovered from user Departments in order to place the College on the same competitive footing as other institutions in the private and public sectors. I hope you will agree that your officials and mine should report to us on the details of this in good time for the removal of the subsidy after 1986-87.

I am copying this to the recipients of your letter.

BARNEY HAYHOE

Civil Service # 17
Layton Hwy

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11 MAR 1985



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CC NO

2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

My ref:

Your ref:

\\ March 1985

Dear Grey,

CIVIL SERVICE COLLEGE - NEXT STEPS ON REPAYMENT

Thank you for sending me a copy of your letter to Leon Brittan of 14 February explaining why you now intend to introduce full repayment for all College training from 1 April 1986.

I appreciate the difficulties which would have faced us if repayment was to be introduced in two stages and I am content with what you now propose subject, of course, to a suitable PES transfer.

I am copying this letter to the Prime Minister, Ministers in charge of Departments, and Sir Robert Armstrong.

Your ever
Patric

PATRICK JENKIN

Civil Service A 17

Long Term Policy



THE MAP ROOM



CABINET OFFICE

*From the Chancellor of the
Duchy of Lancaster*

Lord Gowrie

MANAGEMENT AND PERSONNEL OFFICE

Great George Street
London SW1P 3AL
Telephone 01-233 8610

Barney Hayhoe Esq MP
Minister of State
HM Treasury
Parliament Street
London SW1

*Nbpm
MAY 10/3*

15 March 1985

Alan Boney,

CIVIL SERVICE COLLEGE: NEXT STEPS ON REPAYMENT

Thank you for your letter of 9 March.

Negotiations with departments to settle the Public Expenditure Survey transfers are, as you say, well in hand and will be completed by the deadline which your officials set for mine - 19 not 15 March, incidentally. I imagine, however, that any small adjustments within the total to be transferred can be accommodated after that date, should this prove necessary.

I agree, of course, that extra money cannot be made available should any retreat to central funding be needed.

I cannot agree, however, that we should consider, at this stage, any diminution, let alone removal, of the payment from the Cabinet Office (Management and Personnel Office) to the College for accommodation charges. That payment provides the bulk of the basic Property Repayment Service (PRS) rental for the College's two sites, but not the PRS maintenance, new works or utilities. To remove it would certainly not place the College on the same competitive footing as other institutions in the private and public sectors: rather it would put the College at a disadvantage. The "subsidies" received by, for example, the London Business School and similar competing institutions in the private sector are in much the same proportion as those at the College and often relate to the costs of accommodation in the same way. Moreover so long as the College remains part of the central

government machine, it is constrained in the training it offers, and the customers it attracts, and thus the income it generates because of its wider responsibilities in central Civil Service management. The issue of the central accommodation payment needs to be tackled in the context of the longer term financial and Vote accounting structure of the College, which our officials will be discussing. But I want to get full repayment under way first.

I am copying this to the Prime Minister, Ministers in charge of departments and Sir Robert Armstrong.

*Y
Lms.
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GOWRIE

CIVIL SERVICE : L-T Pt 17

18 FEB 1957

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