

E.R.
CONFIDENTIAL

PRIME MINISTER

cc Mr Redwood

MEETING WITH SIR KEITH JOSEPH AND LORD YOUNG

The two Ministers have not said what they want to discuss but I think they will raise:

(i) How to announce the outcome of the MISC 107 exercise on 14-18 year olds.

(ii) Revival of the proposals for a National Training Agency.

I do not think there is any dispute that the first announcement of the extension of YTS should be in the Budget. (If this were not the case it would leave a major hole in the Budget which, by force of circumstance, now has to be rather less ambitious. You should not agree any other proposal without discussion with the Chancellor). The argument, therefore, is about how the initial announcement is followed up. Sir Keith and Lord Young want to present the extension of YTS and the related measures, e.g. more training for teachers giving TVEI enhanced courses and the restructuring of training qualifications, in the context of a better deal for 14-18 year olds rather than in the context of employment and unemployment. They want to present YTS as better training rather than as "super YOP".

The alternative would be to follow up the initial announcement in an employment document. Mr. King will be sending a draft of such a document to you this weekend. He sees this as his contribution to a series of linked announcements - budget, employment paper, social security reviews, de-regulation.

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Sir Keith has also minuted on a related issue. A component of the MISC 107 proposals is MSC money to train teachers giving TVEI courses. At the same time Sir Keith is proposing a new regime in in-service training for teachers. In his minute attached he makes a plea for grouping these two items together. This, however, could be considered separately from the main issue.

Conclusion

I suggest that you listen to Sir Keith and Lord Young but make no commitment until you have had a chance to talk to the Chancellor at the weekend and to look at Mr. King's document.

The National Training Agency was originally considered early last year but a less ambitious scheme emerged in the White Paper "Training for Jobs". The main component of this was the transfer of funds from local authority colleges to the MSC. While the principle commanded quite a lot of support in Government, the manner in which it was introduced, i.e. the total denial of any consultation, is considered by many to have been counter-productive.

Conclusion

I suggest you listen to what Sir Keith and Lord Young have to say but warn against trying to spring a second fait accompli on the local authorities.

AT

22 February, 1985