PRIME MINISTER

WHITE PAPER ON TRAINING

I have investigated further the proposal that staff should be seconded from LEAs to the MSC (you expressed reservations about this at the meeting of Ministers on the grounds that this could cause the MSC to be infiltrated with the education ethic rather than the training ethic). I have not been able to speak to David Young, who is on leave, but both Mr. King's Private Office and Geoffrey Holland (number two at the MSC) confirm that they are content with this proposal. The initiative would come from the MSC which would meet its need for extra staff either by direct recruitment or by borrowing people from LEAs on secondment. The people borrowed from LEAs would work to MSC requirements and would be employed for their knowledge of the NAFE field. They would be particularly useful in negotiating with CFEs. There is no question of LEAs having a right to any quota of MSC jobs.

In the light of this, are you content?

You queried Oliver Letwin's proposal for reconciling the decision to spend £70 million in the first year and £110 million in the second year with the fact that the financial and academic years do not coincide. Could I attempt a further explanation?

The difficulty is that in the first financial year, 1985-86, spending will not start until September '85, i.e. nearly half way through the year. Oliver's proposal is that the actual transfer of RSG monies should not be the full £70 million, but that amount which produces £70 million at an annual rate in the period from September '85 to April '86. This would be about £40 million. To this could be added a small amount to cover once-off expenditure to launch the scheme. The transfer in the second financial year, 1986-87, would be the full £110 million.

This proposal is more in line with DES thinking than that of Department of Employment who are arguing for the full £70 million

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in the first financial year. In my view, the proposal above is more logical as to transfer the full £70 million in the first year would permit spending between September '85 and April '86 to be at an annual rate considerably higher than £70 million. There would thus be no tapered entry of the scheme, a factor which was thought desirable first to carry the local authorities and secondly to prevent the MSC taking on too much in one go.

Are you content with this?

AT

Surely the meaning of our decision was "that amount which would enable £70 to be spent in the first year of operation" ?

3 January 1984