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The Rt Hon John MacGregor OBE MP
 Chief Secretary
 Treasury Chambers
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6 March 1986

John

TVEI

Thank you for your letter of 5 March about the proposed extension of TVEI. I am glad that you agree that officials should prepare a report within the framework of the proposals in my letter of 21 February to Keith Joseph. I am content that the group should look at 3 of the 4 issues you suggest should also be examined - evaluation, impact on LEAs (although this must be speculative) and the effect of lower expenditure in achieving our objectives. I do not think however that it would be appropriate for this group to consider the question of what offsetting savings need to be found to finance the expansion. I believe that that issue is better discussed in a different context - and largely bilaterally between us. I am content however that DE officials and yours produce a separate paper in parallel with the report of the Working Party.

File WHH DN.

I note your belief that the proposed extension should be considered within the context of the PES. My view remains that there are very strong practical and presentational advantages in an earlier announcement as I proposed, and that we should aim to agree to an extension and announce it in the proposed White Paper on Vocational Education and Training in June. We will begin the work on the report by officials but I will want to discuss with you the timing of a decision and announcement.

I am copying this letter to the Prime Minister, Keith Joseph, Norman Tebbit, Paul Channon, Malcolm Rifkind, Nicholas Edwards and Kenneth Baker.

Paul Channon

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Education: TVEI Pt 2.

