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Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Lord Young of Graffham  
 Secretary of State for Employment  
 Department of Employment  
 Caxton House  
 Tothill Street  
 London  
 SW1

26 June 1986

*Dear David,*

**WHITE PAPER ON VOCATIONAL EDUCATION  
 AND TRAINING POLICIES**

I was grateful to see a further draft of the White Paper. I am pleased that our officials have agreed a limited number of changes to the text. This letter records two remaining concerns.

First I consider it very important that the figures for the TVEI extension are presented in terms of annual expenditure rather than an aggregate figure of £900 million. I am sure that you will understand the presentational point - press headlines of an extra £1 billion on public expenditure (the fact that it is over 10 years would probably get lost!) would not help at all at the present time. Therefore I am pleased that our officials have been able to agree that there be no reference to a £900 million figure in the White Paper. I am content with the following revised wording of paragraph 3.6 which your officials have accepted:

"The Government is making a substantial financial commitment in this development. It is setting aside sums which build up from £12 million in 1987-88, £41 million in 1988-89 and £84 million in 1989-90. The average annual expenditure over the 10 years or so will be about £90 million a year. These amounts will be found from within the MSC's planned provisions for young people."

Your statement will need to be phrased in similar terms. I hope you will let me have early sight of how you propose to handle the public expenditure point since it is crucial that the announcement is not misinterpreted.

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Second, you are reluctant to drop the last sentence of paragraph 4.7 which refers to a guarantee of a YTS place for unemployed 17 year olds. I recognise that reference was made to this in the same terms as a long-term target in the April 1985 White Paper but I see no advantage in drawing attention to it again. There is no pressure for any re-affirmation of the target. You have agreed to make substantial savings in YTS expenditure but without decisions as yet as to how most of the savings are to be made. Our officials had identified restricting the number of 17 year old entrants to YTS as a possible, if unattractive, means of making savings. Highlighting a target for 17 year olds may limit our room for manoeuvre later on and therefore I would much prefer the last sentence of paragraph 4.7 to be deleted.

Third, I am glad that we are in agreement about the importance of full evaluation of the natural extension of TVEI and the setting of quantifiable objectives for the NCVQ. I understand that you are reluctant to put more in the White Paper about specific aims for and measures of success for TVEI and NCVQ, and we do not have time now to discuss this further. However I do consider it essential for reasons we both share that we emphasise the importance we attach to evaluation and ask that the sentence at the start of paragraph 1.10 be extended to read:

"There will be major advances which will be fully evaluated to ensure that value for money is being obtained."

I hope that you will agree.

I am copying this letter to the Prime Minister, Willie Whitelaw, Norman Tebbit, Paul Channon, Malcolm Rifkind, Nick Edwards, Tom King, John Biffen, Kenneth Baker, John Wakeham and Bertie Denham.

*Yours etc,*

*JH*

JOHN MacGREGOR



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