



Prime Minister (2) Manpower  
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DEPARTMENT OF EDUCATION AND SCIENCE  
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FROM THE SECRETARY OF STATE

The Rt Hon Norman Tebbit MP  
Secretary of State  
Department of Employment  
Caxton House  
Tothill Street  
London SW1H 9NXF

mt

10 February 1983

Dear Norman,

FUNDING OF TRAINING

Thank you for your letter of 1 February about the official working group to study the funding of industrial training. Officials here had told me of the likelihood of this development and I gather that the first meeting took place on 31 January.

I am sure that you are right to pursue this in a low-profile manner. And I accept what you say about the difficulties at certain points in distinguishing between training and vocational education. But I do ask that the Group approach the latter with reticence. Just as you wish to exclude disturbance of the funding of the Youth Training Scheme, it would be awkward to disturb the funding of education just when I am evolving radical proposals for both schools and higher education. Please keep me in touch with the progress of the study and let us have early talks if it should look as though the Group's work is leading it substantively into consideration of vocational education.

I am sending copies of this letter to the recipients of yours [Prime Minister, Chancellor of the Exchequer, Industry, Scottish and Welsh Secretaries and Sparrow CPRS].

Ever,

Kawz



Manpower,  
Employment  
measures, Pt 8.

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cc JH

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Manpower

CONFIDENTIAL



Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 3000

The Rt Hon Norman Tebbit, MP 14 February 1983  
House of Commons  
LONDON SW1

*In Name*

FUNDING OF TRAINING

1/2/83?

Thank you for sending me a copy of your letter of 3 February to Keith Joseph.

I am content with the arrangements for the Study which you outline. I look forward to reading the report, and especially to what it has to say on the funding of the Youth Training Scheme after 1985.

I am copying this letter to the other recipients of yours.

*[Handwritten signature]*

GEOFFREY HOWE





Mansueto

CC J-V

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Prime Minister (2)

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The Rt Hon Sir Keith Joseph Bt MP  
 Secretary of State  
 Department of Education and Science  
 Elizabeth House  
 York Road  
 LONDON SE1

1 February  
 January 1983

D Keith

## FUNDING OF TRAINING

You will recall that the December 1981 White Paper "A New Training Initiative: A Programme for Action" (Cmd 8455) committed us to undertake with MSC a study of the whole area of funding industrial training. We have deferred putting detailed work in hand on this longer term matter but I have now had a chance to consider with David Young how this issue should be handled and I am writing to let you know that I am pursuing it.

Our major concern at the moment must be to avoid seeming to put in question current arrangements for funding the Youth Training Scheme since this might prejudice vital employer support for the Scheme. I also wish to discourage those who might use a public study of funding as a vehicle for launching claims for additional public funds. I have therefore concluded that the study should have a low profile and should be carried out by officials of my Department and MSC, in close consultation with your own and other interested Departments. I see no need to make any specific announcement: if asked, I will simply say that work is in hand and that no options have been excluded. I would make no public mention of terms of reference or timescale, but I have asked officials to report to me by May.

The study will essentially need to examine the present arrangements for funding training, to consider what principles should be applied in determining Government policies in relation to funding in the longer term and what changes in current arrangements these might require, to assess the appropriateness of particular mechanisms that might be adopted for achieving such changes and to make recommendations. The focus of the study will be on training but I am clear that it will also need to take account of the funding of vocational education provision: indeed the distinction is often difficult to detect at the margin and it would be wrong to distort the study by focusing it on those activities which are



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furthest removed from education. If the study does come up with proposals having implications for education, I shall of course consult you fully on them.

I hope that these arrangements are acceptable to you.

I am copying this letter to the Prime Minister, and to the Chancellor of the Exchequer and the Secretaries of State for Industry, Scotland and Wales, who will no doubt wish their officials to be involved; and to John Sparrow at the CPRS.

*J. N. Sparrow*

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- 2 FEB 1983

