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10 DOWNING STREET

From the Principal Private Secretary

1 August 1985

Dear David,

At the Prime Minister's meeting on 5 June with your Secretary of State a number of issues were touched on but there was not time to discuss scrutinies in the DE Group.

Expenditure on employment measures has been rising rapidly. Including the YTS, the cost of employment measures has almost doubled in three years to £1.9 billion for 1985/86. The Prime Minister is aware of the helpful work done by the Manpower Group to assess the measures. In addition, however, she considers that scrutinies to examine the effects, outputs and management of the schemes in terms of the benefits to the individuals and to the local communities, how the results relate to other relevant government policies and what is happening to unit costs would be valuable. The Prime Minister thinks it is important to look at YTS, but because the implementation of the two year scheme is now underway, she believes it would be better to delay a scrutiny until 1986/87. For 1985/86 she thinks that the Community Programme, which will spend £730 million in 1985/86, would be a good area for scrutiny, with the emphasis being placed on examining the effects and the output of the scheme, rather than its financial management which the Prime Minister understands was reviewed last year.

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The Prime Minister would therefore be grateful if your Secretary of State would discuss how to take forward these suggestions with Sir Robin Ibbs.

I am sending a copy of this letter to the Private Secretaries to the Chief Secretary, Brian Nicholson at the MSC, Sir Robin Ibbs and Sir Robert Armstrong.

Yours ever,

David Normington Esq  
Department of Employment

Robin Butler