

P 01769

1. DN 13 see
2. p. 2.

CC BG

From: J B UNWIN
4 November 1985

COPY FOR

SIR ROBIN NICHOLSON

cc Mr Addison - No 10
Miss MacNaughton
Mr Stark
Mr Wiggins

- R+O .

MISC 119 AND PUBLIC EXPENDITURE SETTLEMENT

att. ~~unwin~~

Thank you for your minute of 1 November about the relationship of MISC 119 decisions to the current PES exercise.

2. I do not think there is any real problem here. Since MISC 119 is unlikely to lead to any net addition to public expenditure, I do not see that the Treasury could object to any small reallocation of provision between Departments either in 1986-87 or the later years if MISC 119 so decides. So far as the mechanics are concerned, there should be no problem in making any such adjustments between the autumn statement itself and publication of the detailed figures in the next Public Expenditure White Paper next January/February. The figures in the autumn statement will be in aggregate by Departments - there will be no detailed breakdown. In any case, there are always a number of adjustments between the autumn statement and the White Paper, not least to reflect estimating changes on some of the major demand-led programmes.

3. I do not think it is feasible, or that we need, to inject this into this week's final public expenditure decisions. I will, however, ensure that the point is properly covered when we come to the decision making phase in MISC 119.

J B UNWIN

