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LPO

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

17 June 1987

Dear Jill,

CONDUCT OF THE 1987 PUBLIC EXPENDITURE
SURVEY

The Prime Minister has seen the Chief Secretary's minute of 16 June about the revised timetable for the 1987 Public Expenditure Survey and, subject to the views of colleagues, is content.

I am copying this letter to the Private Secretaries to Ministers in charge of Departments and to Trevor Woolley (Cabinet Office).

Jas,

David.

DAVID NORGROVE

Miss Jill Rutter,
Chief Secretary's Office,
H.M. Treasury.

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SLW

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FROM: CHIEF SECRETARY

DATE: 16th June 1987

PRIME MINISTER

Yes not
 Prime Minister
 This is largely a formality.
 Cabinet, subject to colleagues?

CONDUCT OF THE 1987 PUBLIC EXPENDITURE SURVEY

DLW
 16/6.

In March you agreed guidelines for the conduct of the 1987 Public Expenditure Survey. These were circulated formally to departments on 30 March. Inevitably the election has interrupted the process and we need now to agree on a new timetable.

2 Most of the preparatory work commissioned by the original guidelines has already been completed. The Survey baseline has been agreed and departments have submitted statements on output, performance, and value for money in their programmes which are now being discussed at official level with the Treasury. Departments have also reported to the Treasury on their contingent liabilities. However the next step which is the submission by Ministers of their proposals for changes to their departmental baselines has been delayed by the election (they were called for originally by 22 May).

3 I see considerable advantage in getting back to the normal Survey timetable as quickly as possible. In particular, I think we should aim for a meeting of Cabinet before the end of July to consider our overall objectives for the Survey so that I can hold discussions with individual Ministers on their programmes in September and October.

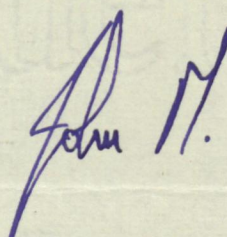
4 I propose therefore that colleagues now complete the review of their programmes to which Cabinet agreed in March in time to report on the outcome and submit any proposals for changes by 2 July. I recognise that time is short, but I judge that this is the last date which would still allow us time to make an overall assessment of our public expenditure objective in Cabinet before the summer break.

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5 Apart from this change of date, I do not think the guidelines issued in March require alteration. In particular, I envisage that local authority relevant expenditure will be discussed separately in Cabinet committee. I propose also that the Investment and Financing Review for the nationalised industries should proceed on the timetable agreed early this year. I understand that the industries have already submitted their provisional bids and that sponsor departments should be in a position to submit revised bids in the normal way at the end of July.

6 Subject to any comments you or colleagues may have I propose to issue the revised timetable formally to departments on Monday 22 June.

7 I am sending copies of this minute to Ministers in charge of departments and to Sir Robert Armstrong.


JOHN MAJOR

ECON. POL: Public Expenditure : Pt 37



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