

E.R.

Note

Told Chief Secretary
office there was no need for
a formal approach until immediately after
the budget.

CONFIDENTIAL

PRIME MINISTER

PRCCG SL

Agreed

mt

GUIDELINES FOR THE 1988 PUBLIC EXPENDITURE SURVEY

In the last few years, it has been customary for the Chief Secretary to approach you in mid-February to seek outline approval for the proposed handling of the early stages of the Public Expenditure Survey (PES). This year, I doubt if any such formal approach is necessary but you might like to be aware of what is planned.

The Treasury propose to handle things very much as last year. The key elements are:

- (i) In April and May, the Treasury and Departments will focus discussions on output and performance targets for each main element of the baseline expenditure.
- (ii) In late May, Ministers will write to the Chief Secretary making formal proposals for any changes to their baselines for programme expenditure and running costs.
- (iii) The Treasury will collate this information in early June, possibly hold some initial Ministerial meetings with Departments and prepare for an initial Cabinet discussion of the Survey prospects and objectives in early July.

The Treasury have no proposals for significant changes in other aspects of the procedures. For running costs, they will be seeking to build on the approach started last year and agreeing firm three year management plans with Departments.

The handling of the key negotiating stage of the Survey during the Summer and Autumn will be for consideration in July. The guidelines for the early part of the Survey will not touch on this.

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Are you content that the Treasury should proceed with planning the early part of the Survey along these lines? They would seek formal clearance of the detailed guidelines immediately after the Budget in a minute sent simultaneously to you and Cabinet colleagues.

Recg.

Y
es
no

PAUL GRAY

5 February 1988