

PRIME MINISTER

FINANCIAL REPORTING TO PARLIAMENT

The Chief Secretary's minute of 29 March attached proposes changes to the arrangements for reporting public expenditure information to Parliament.

At present the position is:-

- i) The Autumn Statement summarises the results of the annual Public Expenditure Survey. Various bits of extra information have been added in recent years. It is published a few days after the final Cabinet discussion, usually early - mid November.
- ii) The Public Expenditure White Paper (PEWP) is published in two volumes, in recent years in mid-January. It has grown substantially in recent years, mainly reflecting more output and performance information. The figures are consistent with the Autumn Statement, but with much greater detail.
- iii) The Supply Estimates are published on Budget day.

Various improvements have been made over the last few years, both in terms of presentation and the quantity and quality of information. But the PAC and TCSC have both suggested changes to this process of improvement.

The Chief Secretary now proposes substantially to meet the PAC's comments by:-

- i) Adding further to the Autumn Statement elements of the PEWP information which can be produced quickly.



- ii) Splitting up the PEWP into departmental volumes and publishing these later than now (on or shortly before Budget day) in conjunction with the Supply Estimates.
- iii) Finding other outlets for the remaining PEWP material.
- iv) As a result end the February Commons' debate on the PEWP, and substitute a debate perhaps in May/June.

These changes would not be fully implemented until 1990-91. They are summarised in the Chief Secretary's covering minute and it is not necessary for you to study the attached memorandum in detail.

Having spent three years managing the improvement of the PEWP I personally view the proposed demise of that unified document with some regret! But I think the broad drift of the proposed changes is sensible, and indeed continues the logic of the improvements the Treasury is already implementing.

There are two main drawbacks:-

- i) Much effort was put into bringing forward the publication of the PEWP to mid-January. Putting back publication of the comparable information in the new departmental reports until March would reverse that process; and produce a much longer gap between the summary Autumn Statement plans in mid-November and the presentation of the fuller details.
- ii) Although the February PEWP debate has become a tiresome chore it has generally not caused Parliamentary trouble. Shifting the comparable occasion to May/June will make it more difficult to restrict debate to the plans agreed the



previous year and increase the questioning on the new year's Survey and on the post-Budget position.

The first of these is probably an irritation rather than a serious problem; but the second perhaps warrants some further thought.

Content to agree the broad direction of change proposed by the Chief Secretary, subject to inviting the Lord President to consider further the implications of a May/June debate?

I share your concern.

PEG

The whole Budget stance will be questioned if we have a debate while the Finance Bill is still before

Paul Gray

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the House. It was much better

to get the P.E. debate over before the Budget.

I believe we should regret the change.

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