CABINET OFFICE OFFICE of the MINISTER for the CIVIL SERVICE The Minister of State Horse Guards Road Privy Council Office London SWIP 3AL The Rt. Hon. Richard Luce MP Telephone: 01 -270 5929 C88/5072 NBON Ms C Evans Private Secretary to the Chief Secretary HM Treasury Parliament Street 19 October 1988 LONDON SW1 at plat Bear Carys, 1988 PUBLIC EXPENDITURE SURVEY: **OMCS** My Minister was grateful for the Chief Secretary's Letter of 14 October, which recorded their agreement on the Arts and Libraries and OMCS programmes. He has written separately on a libraries point. As to the settlement on challenge funding for Next Steps training, I should point out that the central payment to the Civil Service College is in respect of the College's role as part of the OMCS and the cost and contribution of particular College courses in support of central initiatives. It is, therefore, properly described as a "central payment" and not as a "central subsidy". As our Ministers have agreed, the future of the central payment will be considered in the context of the College's possible move to agency status. I am copying this letter to Dominic Morris at No 10. Yours, MISS E M GOODISON Private Secretary

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