



CCFU
n. b. P. M.
BHP
16/7

Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Malcolm Rifkind QC MP
Secretary of State for Scotland
Scottish Office
Dover House
Whitehall
London
SW1A 2AU

16th July 1990

Dear Malcolm

PUBLIC EXPENDITURE SURVEY 1990: FORESTRY COMMISSION

Thank you for your letter of 3 July about the ad referendum PES settlement reached by our officials.

2. I confirm that I am content with the PES agreement as set out in your letter subject to the following conditions agreed by our officials:

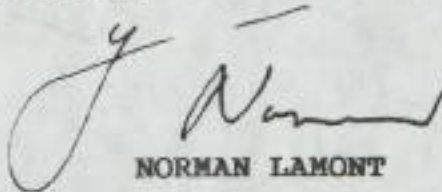
- i. the Forestry Commission will not seek to reopen the PES settlement in the 1990 PES round, whatever happens;
- ii. any additional costs arising from the Commission's review of the Woodland Grant Scheme rates this Autumn will be met from within the agreed provision;
- iii. the Environment White Paper will not include forestry proposals which imply additional provision;
- iv. there will be no automatic right to additional provision in the 1991 Survey to cover the increasing management grant costs in 1994-95;
- v. the Forestry Commission will not expect to increase management grant rates at the review of private woodland grant rates in Autumn 1992;
- vi. the Commission will be expected to absorb any costs arising from any tax assessments on travel and subsistence payments in respect of industrial staff;

UNCLASSIFIED

vii. the terms of the announcement on the broadleaves review and management grants will be cleared with the Treasury.

3. On the last point, you have confirmed that you will be agreeing the wording of the statement with me, and I await the text with interest.

4. I am copying this letter to the Prime Minister, Chris Patten, John Gummer and David Hunt.



NORMAN LAMONT

Elon Pol. Public Experiments #44

