



Treasury Chambers, Parliament Street, SW1P 3AG

Rt Hon Nicholas Edwards MP
Secretary of State
Welsh Office
Gwydyr House
Whitehall
London SW1A 2ER

3 March 1980

Dear Nick,

WELSH OFFICE PES AND VOTE STRUCTURE

You wrote to me on ^{will request if required} 13 February, seeking my agreement to the proposal that a new Wales PES programme and matching Class of Estimates should be established to cover all expenditure within your responsibility. You also proposed that expenditure within the programme, with the exception of agriculture, fisheries, food and forestry (AFFF) and industry energy, trade and employment (IETE) (save for tourism) should be treated as a "block" and that your Votes and cash limits should be re-aligned in order to provide you with more flexibility for financial management.

I am happy to agree these proposals on the terms agreed between officials and between us in correspondence. These include agreement that there will be no change in the arrangements for determining and managing expenditure on AFFF and IETE and that, until Ministers collectively decide otherwise, the new programme will operate with the existing baseline and the existing (population) formula for deciding changes at the margin of the "block".

I would be content for the changes to be announced next month by a Written Answer to a Parliamentary Question, as you suggest, and for officials to discuss the text.

I am sending a copy of my letter the recipients of yours, to other Cabinet colleagues, and to Sir Robert Armstrong.

John Biffen

JOHN BIFFEN

11 12 1
2
3
4
5
6
7
8
9
10

4 MAR 1960



Treasury Chambers, Parliament Street, SW1P 3AG

Rt Hon George Younger MP
Secretary of State
Scottish Office
Dover House
Whitehall
London SW1A 2AU

3 March 1980

Dear George,

SCOTTISH OFFICE PES AND VOTE STRUCTURE

Following Nicholas Edwards' letter of 13 February proposing a new Wales PES programme you wrote to me on 22 February seeking my agreement to the parallel proposal that a new Scotland PES programme and matching Class of Estimates should be established to cover all expenditure within your responsibility. You also proposed that all expenditure within the programme with the exception of agriculture, fisheries, food and forestry (AFFF), industry, energy, trade and employment (IETE) (save for tourism) and other public services should be treated as a "block" and that your Votes and cash limits should be re-aligned in order to provide you with more flexibility for financial management.

I am happy to agree to the proposals on the terms worked out between officials and summarised in your letter, including no change in the arrangements for determining and managing expenditure on AFFF and IETE.

You referred to paragraph 8 of the memorandum enclosed with Nicholas Edwards' letter and the circumstances in which you could make a claim on the Contingency Reserve. I do not think there is any difference of view between us. We do not wish to suggest that different criteria should apply to Scotland (or to Wales for that matter) with respect to claims on the Contingency Reserve. We expect, however, that the variety of expenditure in the block, the greater scope for "swings and roundabouts" than in a purely functional programme and your discretion to transfer funds within the block will combine to make it less likely that the criteria will apply.

I assume that like Nicholas you will wish to announce the changes by Written Answer and that your officials will be in touch with mine to settle its terms.

I am sending a copy of this letter to the recipients of yours, to other Cabinet colleagues and to Sir Robert Armstrong.

John Biffen
JOHN BIFFEN

9
8
7
6
5
4
3
2
1
10
11
12

4 APR 1960